

(1) Number of pages _____

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MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENT

G.O. No.	786	(Ry)	Press
B.P. No.			Mis.
Dated	19-4-		1876.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
19th April 1876.*

Read the following papers:—

No. 258. * Proceedings of the Government of India in the Public Works Department, (Account—Guaranteed Railways), dated Fort William, 15th February 1876, Nos. 57—62 A.—G.R.:—

Method of calculating Interest on overdrawn Capital of Guaranteed Railways.

Read again—

Public Works Department Resolution, Nos. 224—29 A.—G.R., dated 3rd August 1875.

RESOLUTION.—In a despatch recently received from the Secretary of State, it has been intimated that the principle observed at the India Office, in calculating interest due on the overdrawings on Capital Account by a Guaranteed Railway Company, is to take the overdrawings at the close of each month, as the amount on which interest is to be computed instead of reckoning interest from the date of each transaction.

2. In all calculations made in India for interest on overdrawals of Capital, the practice followed at the India Office should in future be adhered to.

ORDER.—Ordered that this Resolution be communicated to the Local Governments of Madras and Bombay, Consulting Engineers, Calcutta, Lahore, and Lucknow, and The Accountant-General, Public Works Department, for information and guidance.

(Signed) C. H. DICKENS, Col., R.A.,
Secy. to the Govt. of India.

No. 258-A. * From Major C. M. MOBERLY, Officiating Under Secretary to the Government of India, Public Works Department, (Account—Guaranteed Railways), to Major-General G. W. WALKER, R.E., Secretary to the Government of Madras, Public Works Department, dated Fort William, 10th April 1876, No. 125 A.—G.R.

I AM directed to forward a copy of Public Works Department Resolution, No. 56 A.—G.R., dated 15th February 1876, asked for in your letter, No. 57, dated 9th March 1876.

Proceedings of the Government of India in the Public Works Department (Account—Guaranteed Railways), dated Fort William, 15th February 1876, No. 56 A.—G. R.

Interest due on overdrawn Capital by the Bombay, Baroda, and Central India Railway Company.

Read again—

- (1.)—Public Works Department Resolution, No. 223 A.—G.R., dated 3rd August 1875.
- (2.)—Despatch to the Secretary of State, No. 122 R., dated 23rd September 1875.

Read also—

From the Secretary of State for India, to the Government of India, dated 23rd December 1875, No. 135 R.

I HAVE received your Excellency's despatch of the 23rd September last, No. 122, relative to interest due by the Bombay, Baroda, and Central India Railway Company on overdrawings on Capital Account during the first-half of the year 1874, which interest will have to be recovered from the surplus profits of the half-year ending 30th June 1875.

Madras

*Proceedings of the Madras Government, Public Works Department,
19th April 1876.*

2. In reply, I have to explain that in the year 1870 it was arranged with the East Indian Railway Company that the principle to be observed in calculating interest on overdrawings on Capital Account should be to take the overdrawings at the close of each month as the amount on which interest is to be computed. This plan has been in operation ever since, and it will be convenient that it should be applied in all other cases.

3. I forward herewith a report by the Accountant of this Office, which shows that the interest due by the Company on overdrawings in the first-half of 1874, calculated on the above principle, amounts to £257-6-3 only. After this deduction has been made from the revenue, the surplus profits of the half-year amount to £5,912-5-5 as shown in the margin, a moiety of which (£2,956-2-9)

Net receipts (per Net Profit Statement), Rs. 21,82,911-1-7	...	£.	s.	d.	
Deduct—		200,741	17	0	
Credit to Revenue Account on account of Stores (vide Revenue Account, p. 19), Rs. 7,563	...	£.	s.	d.	
Guaranteed interest in respect of the half-year	...	693	5	6	
Interest at 5 per cent. on overdrawn balances to 30th June 1874	...	193,879	19	10	
		257	6	3	
		194,829	11	7	
Surplus profits...		5,912	5	5	
Moiety due to Company...		2,956	2	9	

the Government of Bombay has been instructed to pay over to the Company's Agent.

Report by E. R. CAVE-BROWNE, Accountant, dated 6th November 1875.

The mode adopted by the Bombay Government in arriving at the interest due by the Bombay, Baroda, and Central India Railway Company on overdrawn balances during the half-year ending 30th June 1874 differs from the plan followed with regard to the East Indian Railway Company, in which it has not been the practice to adjust such interest from day to day, but, for each case in which an overdrawn balance appears on the 1st of any month, to charge one month's interest on such balance.

According to the books of this office, the accounts of the Company for the half-year under report show overdrawn balances on the 1st April, 1st May, and 1st June, and such balances with the interest accrued due thereon as calculated on the above principle are shown below, viz. :—

Date.	Amount overdrawn.	Interest.
	£ s. d.	£ s. d.
1st April 1874	9,151 17 7	1 month at 5 per cent. 38 2 8
1st May "	26,960 1 5	" " 112 6 8
1st June "	25,643 9 6	" " 106 16 11
		Total ... 257 6 3
		= Rs. 2,807 0 9

A statement is appended showing the amount due on the principle of charging interest from the date of each transaction, as calculated in this office, after inserting the dates of receipts on account of Capital in this country, as requested in paragraph 2 of the accompanying letter. In this statement the dates and amounts of the Indian portion, as shown in the statement prepared in India, have been taken as correct. The result is a charge of Rupees 4,745-13-10 instead of Rupees 4,819-4-4.

The request contained in paragraph 3 of the accompanying letter might be complied with by calling upon those Railway Companies, whose capital has not been fully paid up, to append to their monthly statements of issues a memorandum giving the amounts of any sums paid by them to the Secretary of State on Capital Account during the month, with the dates of payment.

ORDER.—Ordered that a copy of the above despatch and its enclosure be communicated to the Government of Bombay for information and guidance.

(Signed) C. H. DICKENS, Colonel, R.A.,
Secretary to the Govt. of India.

*Proceedings of the Madras Government, Public Works Department,
19th April 1876.*

No. 259.

ORDER THEREON, 19th April 1876, No. 986.

RAILWAY, No. 31-A.

COMMUNICATED to the Consulting Engineer for Railways and to the Examiner of Railway Accounts, in continuation of G.O., No. 2,358, dated 16th August 1875.

(True Extract.)

Colonel,

Offg. Under Secy. to Govt., P.W.D.

To the Consulting Engineer for Railways.
" Examiner of Railway Accounts.

Exd. E. C. Shunker.

Share Copies

Madras Railway

Nos. 57-62 A-GR

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.

ACCOUNT.
Guaranteed Railways.

Fort William, February 15, 1876.

Method of calculating interest on overdrawn capital of Guaranteed Railways.

Read again—

Public Works Department Resolution Nos. 224-29 A-GR, dated 3rd August 1875.

Public Works Department Resolution No. 56 A-GR, dated 15th February 1876.

RESOLUTION.—In a Despatch recently received from the Secretary of State, it has been intimated that the principle observed at the India Office, in calculating interest due on the overdrawings on Capital Account by a Guaranteed Railway Company, is to take the overdrawings at the close of each month, as the amount on which interest is to be computed instead of reckoning interest from the date of each transaction.

2. In all calculations made in India for interest on overdrawals of Capital, the practice followed at the India Office should in future be adhered to.

ORDER.—Ordered, that this Resolution be communicated to the Local Governments of Madras and Bombay, Consulting Engineers, Calcutta, Lahore and Lucknow, The Accountant General, Public Works Department, Governments and Officers named in the margin for information and guidance.

(Dickens) Colonel, R. A.,

Secy. to the Govt. of India.

N: 57 A.R.
1876
The Secretary to the Government of Madras

P.W. Department

Railway Branch

Date.		Amount overdrawn.		Interest.
"		£ s. d.		£ s. d.
1st April 1874	...	2,151 17 7	1 month at 5 per cent.	38 2 8
1st May "	...	26,960 1 5	" "	112 6 8
1st June "	...	25,613 9 6	" "	106 16 11

		Total	...	257 6 3
				= Rs. 2,807 0 9

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C. H. DICKENS, Colonel, R. A.,
Secy. to the Govt. of India.

ACCOUNT.

Guarantee of Railways

22

The Secretary to the Government of Madras

Public Works Department.

Fort Williams, 10. April 1876.

Let

I am directed to forward a copy
of Public Works Department Resolution
No. 56 A dated 15th February 1876, asked
for in your letter No. 57 dated 9th
March 1876.

I have the honor to be
Sir

Yours most obedient servant

Lt. Col. M. W. Smith Major

49: Under Secy. to the Govt: of India

80 no 579 9/3/76 origl

1349
2770

No. 986

E. H. 1876 Department

-822770.

Communicated to
the Consulting Engineer
for Railways and to the
Examiner of Railway Ac-
counts in confirmation
of No 2350 of 16 August
1875.

From

The Government of India

Dated 11th } April 1876
Received 17th }

19 April 76.

Enclosed are - 82-125 A. f. R.

Forwards a Copy
of E. H. N. Resolution of 26th Feb
dated 15th February 1876, on the
subject of interest due on
drawn Capital by the Bombay
Baroda and Central India
Railway Company.

No 258-257

Longman & Co. { Dec 11 3/5/77
Ex-By Am.

Witteorden

up to 11-4-76

130/27/00
Govt. of Madras.
PUBLIC WORKS.

To

The Com^{rs} Eng^g for Railways

Dated

For

By

For

19th April 1876, No. 986

Nos. 255

Interest due on overdrawing
Capital by the Bombay, Baroda
and Central India^{ry} Company
Letter of the Govt^y for
forwarding copy of Board's
account the — commission
to the Comptroller and Secy
of Ry. Accts. -

Done in the
25/4/76

11/11/1876

Supd. to Secy - 11/11/76