

Public Works (1898) Department.

RAILWAY BRANCH.

G.O., No. 1157. *Ry.*

DATED 21st September 1898

[Despatch Abstract.]

Surplus profits

Communicating to the Dy. Secy. Concerned
Resolution of the Govt. of India regarding
the modification of the procedure
in connection with the payment of —
to Indian Railway Companies.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

The Govt. of India

Telegram No. 476 a

Dated 26th August 1898

Received } 29. 8. 98
Registered.

Registered.

Enclosures

Spare copies

SUBJECT.

Surplus profits

20 CR

for faces of rocks.

CMR

Dr ER

25-8-5A

III 2

The original orders in regard to payment of 90% of
C's share of surplus profits on acceptance of Acts by Local
Govt., which were issued in connection with the Summary
Grant & Rep. have not hitherto been brought into force as
regards the Madras Dy. Here we have not authorized payment
of any part of surplus profits until the Acts have been generally
accepted by the Sec of State. Under the instructions now
communicated, we take note on the new orders as they are indirectly
intended to apply to the Madras Dy also. Detailed written orders
can be awaited.

Envalle
CR 21/8/98

To ER
CWM 31/5/98 7/ks
2/9/98

CPM

M

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Code
Class.

20

INDIAN



TELEGRAPHS.

Monthly
Number.

To

(Office)

Madras

From

(Office)

13826

Words

Day

Hour.

Minute.

Official
Instructions.

53/6

26

17

47

of

To

(Person)

Madras.

From

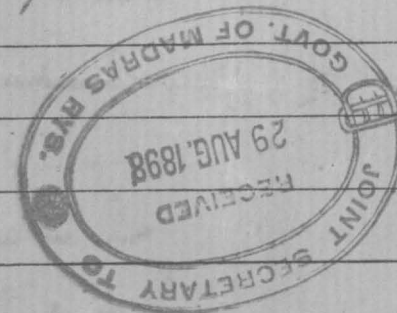
(Person)

works.

works. By.
madras

4/6. a. Secretary of State
has decided that full amount
instead of 90 per Cent of railway
Companies share of surplus
profits may be paid on acceptance
of accounts when there is no
doubtful point requiring orders
act accordingly detailed orders
follow by post.

64 Word Form.



CR CPU

Recd. from

LN.

Sent to

LN.

At

Hrs.

Mts. by

At

Hrs.

Mts. by

MADRAS

27-8-98
Telegraph Master.

Public Works (1898) Department.

Railway
CURRENT No. 1074

From Govt of India

Order

CR
In the favor of remarks.

No. 493 A.R.

CMA.

for ER
12-9-98

Dated 5th Sep. 98.

Received } 14th — do —
Registered }

Enclosures

Spare copies

Noted. The order will be acted on

Bf
No. 1157. Dtd 2/9/98.

Enclosure
CR 16/9/98

Telegram from Secy. to Govt. of India 26 Aug 98 No. 476
Letter from — do — 5 Sep 98 No. 493 AR
H. P. N. R. 2 Sept 1898.

Communicated to the Agents modification of the procedure
of the Agents & S. I. R. for information in connection with the payment
of — to Indian Railway
Companies.

SUBJECT.

Surplus Profits

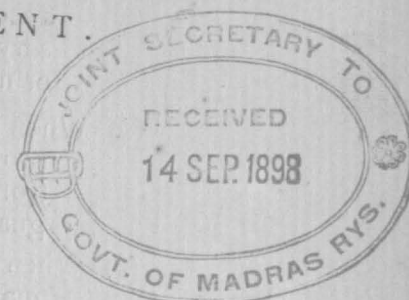
2 The Agents to arrange for
Agent S. I. R.
Examination of R. C. Ault
Comm. Sup. to R. C. S. only 2 Copies

Despatched on 26/9/98

No. 493 A. R.

ACCOUNT.
Railway.

Simla, 5th September 1898.



Modification of the procedure in connection with the payment of
Surplus Profits to Indian Railway Companies.

READ—

Secretary of State's Despatch No. 60 Railway, dated 14th July 1898.

Read again—

Government of India, Public Works Department Resolution No. 320-25- $\frac{A}{G.R.}$, dated 18th June 1874.

OBSERVATIONS.—The ordinary procedure hitherto followed in connection with the payment, to Indian Railway Companies, of the share of the surplus profits earned by their respective systems is to pay 90 per cent. of the Company's share immediately on the accounts being passed and to retain the remaining 10 per cent. until authority to pay it is received from the Secretary of State.

The Secretary of State has now come to the conclusion that the practice of withholding 10 per cent. of the amount due to a Company on account of surplus profits or net earnings, until orders for payment have been issued by him, serves no useful purpose, and may in ordinary cases be discontinued, the whole of the Company's share being paid over as soon as practicable after the accounts are passed in India.

RESOLUTION.—In supersession of the existing procedure the Governor General in Council is pleased to direct that in future the share of surplus profits or net earnings payable to a Railway Company under its contract, may be paid over *in full*, to the Company as soon as practicable after the half-yearly Revenue Accounts have been accepted as correct by the local Government officers, *viz.*, the Government Examiner of Accounts and the Consulting Engineer. When necessary, however, a reference should be made to the Government of India for orders on any doubtful points in the accounts, before they are passed.

2. It may occasionally happen that

2. It may occasionally happen that, by reason of disagreement between the officers of Government and of a Company, or from some other cause, it will become necessary to refer a question in connection with the accounts for the decision of the Secretary of State. In such a case the present practice should be reverted to, and only 90 per cent. of the full amount should be paid in the first instance on acceptance of the accounts, the remaining 10 per cent. being withheld pending further orders of the Government of India or Secretary of State.

3. Under instructions from the Secretary of State, attention is drawn to the following rules in regard to the mode of dealing with errors in the passed Revenue

Accounts of Railway Companies, as originally laid down in Public Works Department Resolution Nos. 320-25—^{A.}_{G. R.} dated 18th June 1874:—

- (a) The debit or credit necessary to correct an error in a passed Revenue Account of a Railway Company should appear in the first Revenue Account of that Company prepared subsequent to the discovery of the error; but in declaring the *net profits* of the half-year in the accounts of which the correction has been made, it will be necessary to consider whether the error was one affecting surplus profits or not.
- (b) When it does not affect surplus profits, it should, so far as the net profits are concerned, be corrected by addition to, or subtraction from, the amount repayable to Government in respect of arrears of guaranteed interest.
- (c) When it affects the surplus profits the refund which its correction may require should—
 - (i) if due by the Company be made from the first surplus profits subsequently available; and
 - (ii) if due to the Company be treated as surplus profits.

ORDER.—Ordered that this resolution be communicated to the Local

The Governments of Madras and Bombay (Railway) and Burma.
The Accountant General, Public Works Department.
The Consulting Engineers to the Government of India for Railways, Calcutta,
Lucknow, and Assam.

Governments and Administrations and to the officers noted in the margin for information and guidance.

H. U. Burn

Offg. Depy. Secy. to the Govt. of India.

To.

*The Secretary to the Govt. of Madras.
Public Works Deptt.
Railway Bk.*

50 AC