22 12/95/54/RH

86R3/61-63

M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 618 Press / ~~Mis.~~

302 - 303

Dated 16 - 3 - 1861.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 16th March 1861.

No. 302. Read the following letter from R. P. HARRISON, Esq., Accountant General, to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, dated 12th March 1861, No. 436 :—

SIR,

1. I have the honor to solicit the Orders of Government for the adjustment of a balance of Rupees 4,73,040-13-1, remaining outstanding in the books of this Office against Mr. Josiah Marshall Heath, the Projector of the late Indian, Iron and Steel Company.

2. In the letter from this Office, No. 262, dated 23rd August 1849, the circumstances under which the Iron Company, or rather Mr. Heath, became indebted to the Government, are given in full detail. I shall, therefore, in this place merely notice the principal facts.

3. The Indian Iron and Steel Company was formed in 1823 with a view to introduce Iron works in this Presidency upon European principles. Mr. Heath, the originator of this association finding his own resources insufficient for such undertaking and finding it impossible to raise the necessary capital, or to procure the co-operation of others, applied to Government for assistance. The Government being satisfied that his failure was attributable solely to want of capital and co-operation, and being assured that the undertaking could be successfully prosecuted if a Company could be formed for conducting its affairs, advanced for Mr. Heath a sum of Rupees 1,60,000 as part of the capital of such Company, and postponed the settlement of sundry claims upon him for payments made to him or on his account, as follows :—

	Rs.
Due to the Government Bank.....	76,000
Due by Mr. Heath to Government on account of certain default on a Cotton contract.....	1,35,000
Paid his debt to Messrs. Alexander & Co., of Calcutta.....	1,00,000
Advanced to enable him to discharge certain debts.....	1,00,000
	4,11,000

This amount added to the sum of Rupees 1,60,000 advanced to Mr. Heath raised the total demand against him to Rupees 5,71,000, which together with interest at 4 per cent. was payable on or before the 1st September 1839, and for which Mr. Heath's whole stock and property, as well as the stock of the Company were pledged as security.

4. Mr. Heath having failed to act up to his engagement with Government, and having returned to England in 1840, application was made to the Directors of the Company for the payment of the debts due by him, but no satisfactory explanation could be obtained from them.

5. The Iron and Steel Company, however, would appear to have addressed the Government in a letter dated the 20th September 1837, which they requested might be submitted to the Honorable Court of Directors, in which after explaining the causes of their inability to pay the interest that had accumulated, they represented that they were even then struggling, by pecuniary sacrifices, to establish, and maintain their works. Upon this representation the Honorable Court was induced to relinquish interest upon the debt for a period of 5 years from 14th September 1833, and interest was consequently chargeable to the Company only from 1st September 1838. The Honorable Court further instructed this Government in 1844 to suspend the enforcement of the claims of Government against the Iron Company for a period of 5 years, and subsequently in their Despatch, dated 11th January 1854, they intimated that a sum of £10,000 had been accepted by them in *full of all demands* against the *Iron Company*, the payment of which amount into the Honorable Court's Treasury was duly communicated to this Government in Despatch* dated 19th July 1854.

* *Extract Minutes Consultation, No. 879, dated 26th August* 1854.

6. The equivalent of the above sum of £10,000, amounting, at the exchange of *2s.* 1½*d.* the Rupee, being the official rate for the year 1854-55, to Company's Rupees 97,959-2-11, was

In the Treasury

accordingly placed in the books of this office for 1854-55 to the credit of "advances re-payable," (under a debit to London), which reduced the principal of the Iron Company's debt to Government, to Rupees 4,73,040-13-1; the balance at present outstanding in the territorial books against Mr. Heath, as the interest chargeable thereon has not been taken into account, nor is it necessary under the circumstances, now to do so.

Rupees...	5,71,000	0	0
	97,959	2	11
	4,73,040	13	1

7. The matter having, as appears from the correspondence, been finally settled by the acceptance by the Home Government of a sum of money in full of all demands against the Company in question, I fail to perceive why the adjustment, for which sanction is now solicited was not effected simultaneously with the credit for Rupees 97,959-2-11 afforded in 1854-55. I see no advantage, however, in continuing the balance of the debt on the Books, and would recommend that the authority of Government be granted for adjusting this outstanding account by writing off the sum of Company's Rupees 4,73,040-13-1, to "Profit and Loss."

No. 303. ORDER THEREON, 16th March 1861, No. 618.

Under the circumstances brought to notice in this letter, the Governor in Council grants authority to the Accountant General, to write off to Profit and Loss the amount standing in the Territorial Books of this Presidency as a debit against Mr. Heath, viz, Rupees 473,040-13-1.

(Signed) J. D. BOURDILLON,
Secretary to Government.

Rupees 571,000-- --
97959-2-11
473040-13-1

to Rupees 4,73040-13-1, the balance at present outstanding in the Territorial Books against Mr. Heath,-as the interest chargeable thereon has not been taken into account, nor is it necessary under the circumstances, now to do so.

7 The matter having, as appears from the Correspondence, been finally settled by the acceptance by the Home Government of a sum of money in full of all demands against the Company in question, I fail to perceive why the adjustment, for which sanction is now solicited, was not effected simultaneously with the credit for Rupees 97959-2-11 afforded in 1854/55.- I see no advantage however in continuing the balance of the debt on the Books, and would recommend that the authority of Government be granted for adjusting this outstanding account by writing off the sum of Company's Rupees 4,73040-13-1 to Profit & Loss.

I have the honor to be
Sir
Your obedient servant

Accountt. General

Correct.
Cofr. to the Treasurer

7th April 1854 in 48-50-
19th Sept. " " 16 17
11th May 1855 18 56.

Copy in a letter to C
d/26th March 61 No 42
17-4-93 "
5-1-17

No 302 & 303-

Received 1861 Department
Rec: of Govt for March
No 663.
From
The Accountant General
To The Chief Secretary
to Government

Dated 12th March 1861
Rec'd 12th "

No
No. 618. 16th March
No 436.

Solicits the orders of
Government for the adjustment
of a balance of Rs. 47,040-13-1
remaining outstanding on
account of the late Indian
Iron and Steel Company-

With an Order—

No 618.

Under the circumstances
brought to notice in this letter, the Governor
in Council grants authority to the
Accountant General to write off to Profit
and Loss the amount standing in the
Territorial Books of this Presidency as
a debit against Mr. Heath, viz. Rupees
47,040-13-1.

Lt St George
16th March 1861

3 Copies to the Accountant General. Dispt 18