Financial (1898) Department.

ORDINARY MS.

G.O., No. 359

Dated 7. 4. 98

[Despatch Abstract.]

Sanctioning the proposal to increase the Treasury Establishment at Trichinopoly by the entertainment of an additional Sheriff on Rs 20 per mensem with effect from 1st April 1898

T/7.4.98

BACK PAPERS.

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

FURTHER PAPERS.

~~G.O~~ Cir	No.	Department.	Date.	G.O	No.	Department.	Date.
1581/98	649 R / 6.6.98						
2499/98			10/11				
3137/98			17/11/98				
2437/99 (similar for Vizag: E.C. Ry)		836 R	11/1/99				

Financial (1897) Department.

Accountant General's Office 30 NOV 97 Madras

Endt No. 2605 d/29th Nov. 97.

Referred to the Accountant-General for remarks

N. Arundel
Chief Secretary

Cml. 14.11.92

TO BE RETURNED WITH REPLY.

Order

CURRENT No. 3685

Chief Secretariat 22 NOV. 1897 Government of Madras

From The P. W. Department Ry. Branch

3686

No. 24 R. M.

Dated 19th November 1897

Received / **Registered** 22.11.97.

Enclosures 3

Spare copies

SUBJECT.

Forwarding copy of a letter from the Agent, South Indian Railway and also copy of Company's Agreement with the Secretary of State in connection with the payment into the Trichinopoly Treasury of the money of the S. I. Ry.

BACK PAPERS.

G.O.	No.	Department.	Date.
849:	11-10-93		
392:	11-5-94		
237:	18-3-94		

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Dated November 24, 1890.

THE SECRETARY OF STATE IN COUNCIL OF INDIA

AND

THE SOUTH INDIAN RAILWAY COMPANY, LIMITED.

CONTRACT

Taking over certain State Railways, and as to the construction of other Railways, and the maintenance, management, and working of the said Railways, and as to the application of profits thereon.

[Copy.]

This Indenture, made the 24th day of November, 1890, BETWEEN The Secretary of State in Council of India of the one part, and The South Indian Railway Company, Limited, of the other part.

Witnesseth and it is hereby agreed and declared as follows:—

Interpretation of Terms.

1. In this Contract, unless there is something repugnant in the subject or context—

(*a*) "The Secretary of State" means the Secretary of State in Council of India.

(*b*) "The Company" means the South Indian Railway Company, Limited.

(*c*) "The old Company" means the South Indian Railway Company, incorporated by an Act of Parliament passed in the session of the 37th and 38th years of the reign of Her present Majesty, intituled "The South Indian Railway Act, 1874."

(*d*) "The purchased railway" means the railways and works of whatever description, together with the land, rolling-stock, plant, and machinery, forming the undertaking of the old Company on the 31st December 1890.

(*e*) "The unfinished railway" means the railways (together with the land, rolling-stock, plant, and machinery belonging thereto) connecting Villupuram, a station of the purchased railway, and Guntakal *viâ* Pakal, with a branch to Nellore from Pakal, part of which has been opened for public traffic, and is now being worked on behalf of the Secretary of State by the old Company, and part is in process of construction on behalf of the Secretary of State by the old Company.

(*f*) "The undertaking" means the purchased railway and the unfinished railway, or such part or parts of those railways as for the purposes of this Contract shall on the 1st January 1891 be handed over to, or may at any time after the aforesaid date, in accordance with the provisions of this Contract, be left in the possession of the Company, together with any improvements, alterations, and additions of whatever description that may from time to time be made therein or thereto, with the sanction of or by the Secretary of State, but with the exception of the telegraphs and telegraphic appliances used or to be used thereon.

(*g*) The undertaking or such part or parts thereof as may for the time being have been opened for the public carriage either of passengers or of goods or animals shall be deemed to be open for public traffic.

(*h*) "The open system" means and includes such part or parts of the undertaking as may for the time being be open for public traffic.

(*j*) "The gross earnings of the undertaking" means and includes all receipts from coaching and merchandise traffic over the open system and from the carriage of mails thereon, and the use of the telegraphs, and all other sums received in respect thereof as rents, tolls on bridges, and from all other sources the receipts from which are treated as revenue on Indian railways generally, and also any moneys payable by the Secretary of State, in respect of any branch or extension railway made part of the undertaking in accordance with the provisions of section 9 of this Contract, under the obligation thereby undertaken by him to make up the average weekly gross earnings of any such branch or extension railway to the amount and for the period specified in the last-mentioned section.

(*k*) "Working expenses," when not qualified or limited, means and includes the expenses incurred with the sanction of or by the Secretary of State in or about or in connection with the management, maintenance, and working of the open system.

(*l*.) "Net earnings" and "net revenue receipts" respectively have the meanings attributed to those expressions respectively in section 59 of this Contract.

Duration of Contract.

2. This Contract shall continue in force for a term of 20 years, commencing on the first day of January 1891, subject to the provisions hereinafter contained for determining the same.

As to Railways to be taken over by the Company and matters connected therewith.

3. On the said first day of January 1891 the Secretary of State for the purposes of this Contract shall hand over to the Company, and the Company shall accept, the purchased railway and the unfinished railway, together with all works connected therewith then made or in progress, and the rolling-stock, machinery, and plant then used thereon or appropriated or in course of construction or under supply therefor, together with copies of all plans, specifications, and working drawings of the said works, rolling-stock, and other equipments, but with the exception of the telegraphs and all telegraphic appliances appropriated to the said railways, and as from the aforesaid day and during the continuance of this Contract the Company shall maintain and work the open system.

4. On taking over the said railways, or so soon thereafter as may be, the Secretary of State shall deliver to the Company, and the Company shall accept, for the purposes of the undertaking, all serviceable stores belonging to the said railways respectively that may be in hand or in course of delivery, except such, if any, as belong to the telegraphs or telegraphic appliances. An inventory of such stores shall be made and signed by or on behalf of the Secretary of State and the Company, and their value shall be entered in the Stores Account as hereinafter provided. The value of the unserviceable stores belonging to the said railways shall be charged off as respects those of the purchased railway in the working expenses of the open system within the year 1891, and as respects those of the unfinished railway in the Capital Account as hereinafter provided. The values in each case herein mentioned shall be as shown in the accounts relating to the said respective railways of the old Company and of the Secretary of State, including loss by exchange on all payments made in England in part of the prime cost of the stores, both serviceable and unserviceable.

5. On taking over the said railways, or so soon thereafter as may be, an inventory of the railways, rolling-stock, plant, and machinery to be so taken over as aforesaid shall be made and signed by or on behalf of the Secretary of State and the Company, and the value at cost price, as shown in the Indian accounts of the old Company and the Government of the said railways respectively, and of the said rolling-stock, plant, and machinery, and of the plans, specifications, and working drawings, of which copies shall be so taken over as aforesaid, shall be entered in the Capital Account of the undertaking as hereinafter provided. Provided always that if the said accounts of the Government of the unfinished railway do not include the loss by exchange on all payments made in England in part of the cost of the unfinished railway and the cost price of the land occupied or used by the unfinished railway or for the purposes thereof, or either of such items, then there shall be further entered in the Capital Account aforesaid as the case may require the said loss by exchange and the said cost price of the land.

As to existing surveys for extensions, &c., and liabilities in connection with the Railways transferred.

6. All surveys and plans which the Secretary of State has caused to be made with the view of facilitating and expediting the construction of branches or extensions of either the purchased railway or the unfinished railway shall be made over to the Company, and the cost of the said surveys and plans as stated by the Secretary of

State shall be debited to the Capital Account of the undertaking as hereinafter provided. Any now existing obligations or liabilities of the Secretary of State, under contracts for the supply of stores or materials or the execution of works for or in connection with either the purchased railway or the unfinished railway, shall be discharged by the Company from the moneys to be supplied to the Company pursuant to this Contract.

As to the completion of the construction of the unfinished Railway.

7. Subject to the requisite funds being provided according to the stipulations in that behalf hereinafter contained, the Company shall with due diligence and expedition, and in accordance in all respects with the directions of the Secretary of State, complete the construction to the satisfaction of the Secretary of State, and make ready and fit for opening for the public carriage of passengers throughout on routes determined or to be determined by him, and on land provided or to be provided by him as hereinafter stipulated, the unfinished railway, together with all such stations, station-yards, offices, warehouses, houses for employés, conveniences, and works as in the opinion of the Secretary of State shall be necessary or proper for the purposes of the said railway, either as regards the due working of the same or as regards the permanence of the same, and the protection of the same from destruction or injury by inundation, tempest, or otherwise. Subject to the like conditions as to funds, diligence, and directions, the Company shall equip the said railway with rolling-stock, plant, and machinery to the satisfaction of the Secretary of State. The unfinished railway shall be of the metre gauge, and shall in general structural character and equipment conform with the standard of the purchased railway. Surveys, designs, and estimates in relation to the construction or equipment of the unfinished railway shall if required be furnished by the Company to the Secretary of State, and be subjected to his approval, or the Secretary of State may furnish designs to the Company, and the Company shall in that case be bound to follow them.

As to the re-transfer to the Secretary of State of parts of the Undertaking.

8. The Secretary of State may at any time, by giving six months' previous notice in writing, require the Company to re-transfer to him any part or parts of the railways comprised in the undertaking, and particularly the line of railway between Nellore and the North-west line of the Madras Railway, and the line of railway between Guntakal and Dharmavaram and the Mysore frontier (if extended to the Mysore frontier from Dharmavaram), including any extensions or branches thereof or any part or parts of the said railways respectively, and the Company shall re-transfer the same accordingly with (if so required) a reasonable proportion of the rolling-stock, machinery, plant, and stores of the undertaking, and shall not claim or be entitled to any compensation in respect of such re-transfer other than the sums to be credited in the Capital Account and the Stores Account of the undertaking in respect of the value of the things re-transferred as herein provided. And as from the date or dates of such re-transfer the rights of the Company with respect to any such part or parts of the undertaking, and the telegraphs and telegraphic appliances used therewith shall absolutely cease and determine. The things re-transferred shall be valued as respects the stores at the values shown in the Stores Account, as respects the rolling-stock, machinery, and plant at their fair value as agreed upon between the Secretary of State and the Company, and as respects the part or parts of the railways (including land) on the basis of the capital cost of such part or parts so far as ascertainable from the accounts of the undertaking and as may be agreed upon between the Secretary of State and the Company.

As to the acquisition, construction, and working of branch and other Railways.

9. The Secretary of State may require the Company to construct as part of the undertaking, or acquire either absolutely or on lease for a term of years or otherwise on behalf of the undertaking, any such branch or extension railway of the same gauge in connection with the undertaking as the Secretary of State may in his discretion think fit, and to work as part of the undertaking any and every railway so constructed or acquired; and every railway so acquired and worked shall thenceforth be and

form part of the undertaking, and all the provisions of this Contract shall be applicable thereto. Provided that if during the three years immediately after the opening for the public carriage of passengers of any such branch or extension railway the average gross receipts per week per mile of such branch or extension do not in any half-year amount to 50 rupees, the Secretary of State will make good the deficiency. Provided also that the moneys required for any such construction or absolute acquisition as aforesaid of any such branch or extension railway shall be supplied by the Secretary of State, and the expenditure incurred thereon, with the sanction of or as certified by the Secretary of State, shall be included in the Capital Account of the undertaking as hereinafter provided.

10. The Secretary of State may require the Company to construct, on behalf of any local authority or any allied tributary or foreign State, any such branch or extension railway of the same gauge in connection with the undertaking, or any other railway in connection with the undertaking, as such Authority or State may desire to have worked through the agency of the Company, and the Company shall, if and when required so to do by the Secretary of State, accept and work, upon terms to be specially agreed upon in each case between the Company and the said Authority or State with the sanction of the Secretary of State, any and every such railway, whether existing or constructed through the agency of the Company or otherwise, but no such railway shall form part of the undertaking. Provided that the moneys required for the construction through the agency of the Company of any such railway shall be supplied to the Company by the Authority or State concerned through the Secretary of State.

As to Land.

11. Subject and without prejudice to the stipulations contained in the next succeeding section of this Contract the Secretary of State shall from time to time provide the land which he shall consider requisite for the railways of the undertaking and for the stations, station-yards, sidings, crossing-places, bridges, viaducts, offices, warehouses, houses for employés, conveniences, and works necessary or proper for the purposes of the same railways, and shall allow the Company during the continuance of this Contract to have possession of the land so provided, as well as of the land occupied or used by or for the purposes of the railways to be taken over by the Company under the 3rd section of this Contract from the time of the same being so taken over. The Company shall from time to time, with the sanction of the Secretary of State, as soon as practicable relinquish to the Secretary of State such of the land of which the Company shall have been allowed possession under this Contract as shall for the time being have become unnecessary to be retained possession of by the Company for any of the purposes of this Contract. And as often as in the opinion of the Secretary of State it shall appear to be unnecessary that the Company shall retain possession of any particular land of which the Company shall have been allowed possession under this Contract, the Secretary of State shall certify such his opinion to the Company. Upon receipt of such certificate, or so soon thereafter as may be, the Company shall state in writing whether it acquiesces in the opinion of the Secretary of State or whether it objects thereto, and, if so, the grounds of its objection. If no objection is stated by the Company, or if the grounds of its objection (if any) are not in the opinion of the Secretary of State sufficient, the Company shall upon the requisition of the Secretary of State forthwith relinquish to him the land in question, and the Secretary of State shall be exclusively entitled to possession thereof.

12. The obligation of the Secretary of State under the last preceding section to provide land shall, as to any land therein mentioned which may be situate in territory not directly governed by Her Majesty or Her Majesty's Indian Government, not become absolute unless or until the Secretary of State shall himself acquire the land, which he shall not be under positive obligation to do, although he intends to acquire it if he can obtain it on reasonable terms by negotiation with any State or States concerned.

As to notification to Company of Route of Railways.

13. The Secretary of State shall from time to time notify to the Company the route of any railway forming or intended to form part of the undertaking so far as such route shall from time to time have been determined by him.

As to situation of Stations, &c.

14. The Secretary of State shall have power to determine the situation and dimensions of and the particulars of all additions to and alterations and improvements in the stations, station-yards, offices, warehouses, houses for employés, conveniences, and works to be constructed or carried out from time to time in connection with or as part of the undertaking.

As to Equipment of Undertaking with Rolling-stock, &c.

15. The Company shall with due diligence equip the undertaking with all such additional rolling-stock, plant, and machinery as shall from time to time in the opinion of the Secretary of State be necessary for the purpose of working the undertaking, and shall make such alterations or improvements in the equipment as may in his opinion be required from time to time; and if the Secretary of State shall be of opinion that the Company shall at any time have failed duly to perform its obligations under this section, he may himself from time to time complete or alter or improve the equipment of the undertaking, or any part thereof, in respect of all or any of the particulars specified in this section.

As to Telegraphs.

16. In addition to the electric telegraphs already established along or upon the purchased railway and the unfinished railway, the Secretary of State may from time to time establish such electric telegraphs as he shall think fit along or upon the undertaking, or any part or parts thereof, or any land or works belonging thereto, and may maintain and work the electric telegraphs already established or to be established as aforesaid as he shall think fit, and it shall be lawful for him for such purposes, or any of them (in addition to the general powers which it is hereby declared that he shall at all times have of entering by agent or otherwise upon all or any land of which he shall pursuant to this Contract have allowed the Company to have possession), to enter at all times, by his agents, workmen, or others, on any part or parts of the undertaking, or the lands or works belonging thereto, and to erect, place, maintain, make, do, and execute thereon all such buildings, machinery, works, appliances, acts, and things as the Secretary of State shall consider necessary or proper in relation to the construction, maintenance, use, and working of the said electric telegraphs. The Secretary of State shall be exclusively entitled to the possession of all buildings, machinery, works, and appliances erected or brought by him under the powers conferred on him by this section on the undertaking, or on any land or works belonging thereto. The Company shall at all times furnish the Secretary of State with such free passes over the undertaking, or any parts thereof, as he shall require for persons employed by him in or about or in connection with the construction, maintenance, working, or inspection of the electric telegraphs mentioned in this section, or any buildings, machinery, works, or appliances appertaining thereto.

17. The Secretary of State shall from time to time allow the Company to have the exclusive use of any such electric telegraphs and telegraphic appliances as he shall from time to time consider proper to be used by the Company for the purpose of safely or efficiently working the undertaking or any part or parts thereof. The Secretary of State shall maintain and keep in good repair and in good working condition the electric telegraphs and telegraphic appliances of which the Company shall for the time being be allowed to have the use.

18. The Company shall from time to time, upon demand by or on behalf of the Secretary of State, pay into such Government Treasury in India as shall from time to time be appointed for the purpose by the Secretary of State, the amount which the Secretary of State shall from time to time require the Company to pay in respect of the charges made from time to time by the Telegraph Department of Her Majesty's Indian Government for rent, maintenance, and inspection of the electric telegraphs and telegraphic appliances of which the Secretary of State shall from time to time under the last preceding section have allowed to the Company the exclusive use, such charges not to be in excess of similar charges for the time being in force in the case of State Railway Telegraphs.

19. The Company, if so directed by the Secretary of State, shall in relation to any electric telegraphs or telegraphic appliances of which under the 17th section of this Contract it shall for the time being be allowed to have the use, observe the rules applicable to telegraphs and telegraphic appliances which shall for the time being be in force in the case of State Railway Telegraphs, or such of the said rules as the Secretary of State may from time to time prescribe to be observed by the Company; and the Company, if so directed by the Secretary of State, shall account in such manner as shall be prescribed by the rules which shall for the time being be in force in relation to State Railway Telegraphs, or as the Secretary of State shall require, for the receipts derived from the working of telegraphs and telegraphic appliances.

As to Police.

20. The Secretary of State shall provide and maintain for the purposes of the open system such a force of police as the Company, with the approval of the Secretary of State, shall from time to time require; and if the Secretary of State shall consider that any addition to the force is required for the preservation of law and order for the purposes of the undertaking his determination on that point shall be final, and such addition shall be made accordingly. The cost of providing and maintaining the force of police required for the purposes aforesaid shall be defrayed in the following manner; that is to say, three-tenths shall be borne by the Secretary of State and the remaining seven-tenths shall be included in working expenses.

21. If the Company shall so desire, the Secretary of State will provide at the sole cost of the undertaking such a force of police as, with the approval of the Secretary of State, the Company shall from time to time require for the protection of so much of the undertaking as shall for the time being be under construction, or shall not have been opened for public traffic.

22. The cost of providing and maintaining any force of police from time to time provided and maintained by the Secretary of State under either of the two last preceding sections in relation to the undertaking or any part or parts thereof shall be taken to be as from time to time stated by the Secretary of State.

As to opening for public Traffic.

23 The Company shall from time to time, when and as often as any part of the undertaking not previously opened for the public carriage of passengers is in a fit state and properly equipped with rolling-stock, plant, and machinery for such carriage, give the notice prescribed by law of its intention to open such part, and on the opening thereof being sanctioned shall forthwith open the same part for the public carriage of passengers, and, if the Secretary of State shall so sanction, of animals and goods. Nothing in this section shall operate to prevent the public carriage of animals or goods on any part of the undertaking, the opening of which for the public carriage of passengers shall not have been sanctioned, provided that the Secretary of State shall have sanctioned the public carriage of animals or goods over such part.

As to the Maintenance and Management of the Undertaking.

24. The Company shall keep the undertaking and the stations and works belonging thereto in good repair, and shall also keep the open system and the stations and works belonging thereto in good working condition, and fully supplied with rolling-stock, plant, machinery, and stores to the satisfaction of the Secretary of State; and whenever the Secretary of State shall be of opinion that the Company is in any default as to any of the matters before mentioned in this section he may in writing notify the fact to the Company, specifying in such writing the general nature of the defect, and unless the defect be remedied by the Company within one calendar month after the notification thereof by him to the Company may himself remedy it, and charge the cost of the same as if done by the Company.

25. The Company shall keep the rolling-stock, plant, and machinery for the time being belonging to the undertaking and to every part thereof in good repair and in good working condition to the satisfaction of the Secretary of State; and whenever

the Secretary of State shall be of opinion that the Company is in default as to any matter before provided for in this section he may himself remedy the defect, and charge the cost of the same as if done by the Company.

26. The Company shall maintain a sufficient staff for the purposes of the undertaking to the satisfaction of the Secretary of State, and shall, if required so to do by the Secretary of State, continue all or any of the Government staff now engaged for the purposes of the undertaking or any part thereof in their present employments, and fill up vacancies occurring from time to time in the staff, and for filling which there shall be no suitable persons or person available among those for the time being employed by the Company from the Government service; and no member of the Government service so engaged, unless the incumbent of any such or similar office on any State Railway be then liable to be discharged by the manager thereof on his own responsibility, shall be discharged from his employment by the Company, if after notice of the intention of the Company so to discharge him the Secretary of State shall object to such discharge. The rates of remuneration to be paid by the Company to all members of the Government service employed on the undertaking shall not be in excess of the rates at which the Company can obtain similarly qualified servants. The debit of any contributions on account of pensions and furlough allowances which the Secretary of State may require to be paid to him on behalf of such persons shall follow the incidence of the debit of the salaries of such persons severally.

27. The Secretary of State may from time to time, by notice in writing, require the Company to carry out any alteration or improvement in or any addition to the undertaking, that may in his opinion be necessary for the safety of passengers or for the safety of the public, or for the effectual working of the undertaking. Such notice shall specify the alteration, improvement, or addition required, and shall also in general terms describe the works to be executed for the purpose of carrying out such alteration, improvement, or addition. On receiving any such notice the Company shall with all reasonable speed commence and proceed to execute the works described therein. The Secretary of State shall provide any land that may be required for the purposes aforesaid, and shall supply the funds necessary for the purchase of such land and for the execution of such works, and the cost of such of the said works as shall be properly chargeable to Capital shall be charged against the Capital Account as hereinafter provided, and the cost of all other such works shall be charged as working expenses. If in any case the Company shall neglect to proceed with the proposed works, or fail to complete the same to the satisfaction of the Secretary of State, the Secretary of State may enter on the undertaking and execute the said works, and charge the cost of the same as if done by the Company.

As to working the Undertaking, Fares, &c.

28. The Company shall, until this Contract shall be terminated under any provision herein contained, keep the open system opened for public traffic, and work the same and carry on thereon, in accordance with the provisions of the law of India for the time being, the business of carriers of passengers, animals, and goods, or passengers, animals, or goods, according as the carriage of the same respectively shall have been sanctioned by the Secretary of State.

29. The Company shall cause to be run on the open system so many trains, at such times, at such rates of speed, between such places, and with such conveniences and accommodations as the Secretary of State shall from time to time require.

30. The Company shall from time to time, upon the requisition of the Secretary of State, effect any alteration or improvement in the working of the open system or any part thereof that may in his opinion be necessary for the safety of passengers or of the public, or for the safe and effectual working of the open system or any part thereof.

31. The Company shall be entitled to charge the public for services rendered by way of conveyance on the open system or any part thereof of passengers and goods of different classes and description at such rates only as shall for the time being be

approved by the Secretary of State. The Company may from time to time and at the request of the Secretary of State shall submit for the approval of the Secretary of State maximum and minimum rates within which the Company is to be at liberty to charge for such services, and the Secretary of State may approve such rates with such modifications as he shall think fit, and may also from time to time require the Company to make such modifications in the maximum and minimum rates for the time being in force as he shall think fit. The Company shall not, in making charges to the public for services mentioned in this section, calculate any such charge at a rate which shall be either above the maximum or below the minimum rate for the time being applicable under this section to the particular service in respect of which the same charge is made, or make any reduction by way of rebate or otherwise which shall have the effect of bringing any rate actually paid below such minimum. The term "goods" shall as regards this section include everything conveyed on the undertaking, passengers only excepted.

32. No undue or unreasonable preference or advantage to or in favor of any particular person, company, or railway administration, or any particular description of traffic in any respect whatsoever, shall be made or given by the Company, nor shall any particular person, company, or railway administration be subjected by the Company to any undue or unreasonable prejudice or disadvantage in any respect whatsoever. The Secretary of State shall have absolute power for the purposes of this section to decide whether any preference, advantage, prejudice, or disadvantage is undue or unreasonable.

As to Services rendered to Secretary of State on the Undertaking.

33. All services which the Secretary of State shall require the Company to perform on the open system for any department of Her Majesty's Indian Government, whether Postal, Military, Police, or any other department of the State, or for high officials of such Government (including in such services the conveyance of mails as defined by the Post Office Act or Acts for the time being in force in British India, the conveyance of Post Office servants when on duty, the conveyance of troops and sailors, military and naval establishments, horses and other animals used for military purposes, guns, military stores and equipments, the conveyance of police, prisoners, and paupers, the conveyance of telegraph stores, instruments, officers, and workmen, and of any public stores whatever, including stores for State railways) shall be performed by the Company on the same general conditions as may for the time being be in force on other metre-gauge State railways, and at such rates as may be approved by the Secretary of State, subject to the provision as to free passes contained in the 16th section of this Contract.

34. The Company shall convey on the open system gold and silver bullion and coin, and copper coin, belonging to the Secretary of State, and the persons in charge thereof, at special rates to be from time to time approved by the Secretary of State.

35. The Company shall from time to time, upon the requisition of the Secretary of State, give precedence over all other traffic to his demands for either passenger or freight accommodation on the open system.

36. All stores intended to be used for any purposes of the undertaking or any part thereof (including stores intended to be used in or about the construction of any part of the undertaking or of any works or adjuncts of or pertaining to the same) shall be conveyed by the Company over the open system at rates to be approved by the Secretary of State.

As to Tolls for use of Bridges.

37. If the Company shall with the approval of the Secretary of State provide on any of the bridges on the undertaking ways or roads for public use by persons on foot or on horseback, or in carriages, or for any other purposes of traffic for which ordinary highways are commonly used, the Company shall during the continuance of this Contract have the right to charge, according to tariffs to be arranged between the Secretary of State and the Company, tolls for the user of such ways or roads by the public.

The Company to comply with requirements of the Secretary of State.

38. The Company shall with all reasonable speed comply with all such requirements as the Secretary of State shall from time to time make in accordance with this Contract.

As to Ownership of the Undertaking, &c.

39. Subject to the provisions of this Contract, all land of which the Secretary of State shall allow the Company to have possession for any of the purposes of this Contract, and everything constructed or to be constructed thereon, and all rails, plant, machinery, rolling-stock, stores, fixtures, and implements of every description acquired by the Company for the purpose of constructing, maintaining, equipping, keeping up the equipment of, or working the undertaking or any part thereof, or any stations, station-yards, offices, warehouses, houses for employés, or works upon any land of which the Secretary of State shall so allow the Company to have possession as aforesaid, and generally all property, whether real or personal, and things, and whether in England, India, or elsewhere, which shall be or have been transferred to the Company by the Secretary of State pursuant to these presents, or shall be or have been acquired, paid for or constructed by the Company with money supplied to the Company by the Secretary of State under the 47th section of this Contract, are hereby declared to be respectively the property of the Secretary of State, but subject to the user and enjoyment thereof by the Company during the continuance of this Contract.

As to Capital of Company and payment of Interest thereon.

40. The Company shall, within such period and by such instalments as the Secretary of State shall prescribe, pay into the Bank of England to the credit of the Secretary of State an aggregate sum of 1,000,000*l.* to be raised in shares or stock.

41. The Secretary of State will during the continuance of this Contract out of the revenues of India pay to the Company in London in sterling money half-yearly on the first day of July and the first day of January in each year interest at the rate of 3 per cent. per annum, calculated to the last preceding 30th day of June and the 31st day of December respectively, on the amount which shall for the time being have been paid by the Company on account of share capital in respect of the sum of 1,000,000*l.* mentioned in the last preceding section of this Contract.

42. Any further moneys which may from time to time be required for completing and equipping the unfinished railway, and for any other purposes sanctioned by the Secretary of State under this Contract, shall at the option of the Secretary of State either be provided by him or be raised by the Company in such manner (by the issue at the option of the Secretary of State of shares or of debentures or otherwise) and on such terms as shall be agreed upon between the Secretary of State and the Company. All moneys so raised by the Company shall be forthwith paid into the Bank of England to the credit of the Secretary of State.

43. The Company shall not at any time during the continuance of this Contract, without the sanction of the Secretary of State in writing first obtained, at any time increase its stock or share capital or borrow any moneys. The restrictions imposed by the preceding portion of this section shall not preclude the Company from borrowing money for the *bonâ fide* purpose of discharging previously existing indebtedness of the Company in respect of borrowed capital to an amount equal to the extent of the money so borrowed, provided the money borrowed be *bonâ fide* applied to the purpose last aforesaid, as to which, however, no person lending or advancing money to the Company shall be concerned to see. No money shall without the previous sanction of the Secretary of State be borrowed by the Company at a discount, or at a premium, or on terms of the Company paying to the lender a larger capital sum than that actually borrowed from him by the Company. The Company shall not without the sanction of the Secretary of State pay interest at a rate higher than $3\frac{1}{2}$ per cent. per annum on any moneys borrowed by or owing from it, but this stipulation shall not necessitate the sanction of the Secretary of State to the payment of interest by the Company at

any reasonable rate on any sums which the Company may borrow for *bonâ fide* temporary purposes.

44. Subject to the provisions of this Contract, all moneys paid by the Company under the 40th and 42nd sections hereof shall, when and as paid, become the absolute property of the Secretary of State, and he shall not be a debtor to the Company in respect of such moneys or any of them.

As to Receipts and expenditure of Company and supply of Funds by Secretary of State.

45. All moneys whatsoever, from whatever source arising or derived, and whether attributable to account of capital or revenue, which shall during the continuance of this Contract be received by the Company, and whether on its own behalf or as agent of the Secretary of State or otherwise, shall (with the exception only of moneys payable to the Secretary of State under the 40th and 42nd sections of this Contract, and of moneys paid by the Secretary of State to the Company or provided by him under the 41st, 42nd, and 47th sections of this Contract, or which it shall receive by virtue of the 4th sub-section of the 60th section of this contract) be paid without deduction at such times and in such manner as the Secretary of State may from time to time direct in manner following (that is to say): as to moneys received elsewhere than in India by or on behalf of the Company into the Bank of England to the credit of the Secretary of State, and as to moneys received in India by or on behalf of the Company into some Government Treasury in India to be from time to time approved for the purpose by the Secretary of State. All the moneys paid by the Company under this section shall, when paid, become the absolute property of the Secretary of State, subject to the provisions of this Contract, and so in particular that such of the same moneys as are under this Contract to be treated as received on account of revenue shall be subject to the provisions hereinafter contained as to the application thereof.

46. All moneys proposed to be expended by the Company on account of the undertaking or in pursuance of this Contract shall from time to time be stated and submitted to the Secretary of State for his sanction, and as between the Company and the Secretary of State shall be allowed only so far as the same shall from time to time have been sanctioned by the Secretary of State.

47. All moneys which the Company shall require to defray expenditure by the Company under this Contract sanctioned by the Secretary of State shall be supplied to the Company by the Secretary of State in London or in India according to such arrangements as shall from time to time be made between the Secretary of State and the Company.

As to Accounts and Exchange.

48. The Company shall keep all such accounts in relation to the undertaking and to this Contract, and all such accounts as between the Company and the Secretary of State, as the Secretary of State shall from time to time require. Complete accounts shall be kept in India in rupee currency; nevertheless, accounts shall be kept in England in sterling money of the expenditure and receipts of the Company elsewhere than in India, in relation to the undertaking and to this Contract, but such accounts shall be incorporated in the Indian accounts of the Company, and for that purpose shall be furnished to the Secretary of State for transmission to the Government of India.

49. For the purposes of the incorporation provided for in the last preceding section of this Contract, sterling money entered in the accounts kept in England in such section mentioned shall (except in any cases where any particular amounts ought under special provisions of this Contract to be treated as convertible at special rates, in which excepted cases the special rates shall be adopted) be converted into rupees at the average rate of exchange obtained by the Secretary of State for bills payable on demand drawn on India during the half-year ending either on the 30th day of June or the 31st day of December next preceding the time at which the incorporation is to be effected, and so that if the incorporation is to be effected in the first six calendar months of the then current calendar year the half-year shall end on

the 31st day of December, and if it is to be effected in the last six calendar months of the then current calendar year the half-year shall end on the 30th day of June. Provided that if and as often as the Secretary of State shall not have drawn bills on India payable on demand for so much as three calendar months out of any particular half-year ending on a 30th day of June or 31st day of December, then any conversion of sterling money into rupees which would or might under this section, but for this provision, be effected at the average rate obtained by the Secretary of State for bills payable on demand drawn on India during that half-year shall be effected at the average rate obtained during that half-year for the best commercial bills payable on demand drawn in London on India, such average rate to be decided by the Comptroller-General at Calcutta.

50. Separate accounts shall, if required by the Secretary of State, be kept by the Company in respect to different sections of the undertaking, and all accounts to be kept by the Company under this Contract shall be kept in such form, and under such heads or divisions, and with such details, and shall be submitted to the Secretary of State at such times as he shall from time to time prescribe.

51. Unless and until otherwise directed by the Secretary of State, the Company shall keep in relation to the undertaking and this Contract the following accounts (that is to say):—

A Capital Advance Account.	A Capital Account.
A Stores Account.	A Revenue Account.

52. In the said Capital Advance Account shall be entered all moneys supplied by the Secretary of State to the Company to defray expenditure by the Company under this Contract or received from the sale of stores, and the moneys so entered shall, as expended by the Company in conformity with this Contract, be transferred from the Capital Advance Account to the Stores Account, the Capital Account, or the Revenue Account, as shall be proper. The Capital Advance Account shall from time to time, as the Secretary of State shall require, be made up and submitted to him.

53. The Company shall as from the 1st day of January 1891 open an account of all stores which shall have been delivered to the Company pursuant to the 4th section of this Contract, and of the value of such stores as entered in the inventory mentioned in that section, and shall from time to time during the continuance of this Contract with all reasonable expedition make up and deliver to the Secretary of State an account of all stores respectively in hand on every 30th day of June and 31st day of December, or on such other days as the Secretary of State may from time to time name for the purpose. In the account to be so made up from time to time shall be entered all stores which the Company shall for the purposes of fulfilling this Contract have used since, as regards the first occasion of making up the account, the day on which the same shall have been delivered to the Company as aforesaid, and since, as regards each other occasion of making up the account, the date to which the account shall have been last previously made up, showing in the account the purposes to which the stores which shall have been used shall have been applied. As often as any of the stores in hand shall be used by the Company for the purposes of fulfilling this Contract, the value as entered in the books of the Company of the stores so used shall be charged to account of capital or to account of revenue as shall be proper. The Stores Account shall, besides being made up periodically as above mentioned, be made up and balanced from time to time upon the requisition of the Secretary of State. If any stores for the time being in use upon or in connection with the undertaking shall during the continuance of this Contract be returned into store, the value thereof (to be agreed upon by the Secretary of State and the Company) shall be debited in the Stores Account. If any stores shall be re-transferred to the Secretary of State under section 8 of this Contract, the value thereof shall be credited to the Stores Account.

54. The valuations from time to time in the Stores Account of stores in hand shall, at such time or times as the Secretary of State shall direct, be revised in such manner as shall from time to time be agreed upon between the Secretary of State and the Company, and the Stores Account shall from time to time be corrected so as to accord with the revised valuations, and thereupon corresponding adjustments shall be effected in the Capital or Revenue Account by making entries therein either to debit

or credit as requisite. Provided that such a revised valuation shall be made as soon as the whole of the unfinished railway shall have been opened for public traffic, and that in respect of any subsequent valuation all such adjustments shall be made in the Revenue Account alone.

55. In the Capital Account shall be entered all such of the moneys to be received by or on behalf of the Company as pursuant to this Contract are to be treated as received on account of capital, also the value (to be determined by the Secretary of State) of such land (if any) as shall for the time being have been relinquished by the Company to the Secretary of State under the previous provisions hereof, also the value of any part or parts of the railways, rolling-stock, machinery, and plant of the undertaking re-transferred to the Secretary of State, under the provisions of section 8 of this Contract, and also all such expenditure of the Company under this Contract as pursuant to this Contract shall be chargeable to account of capital, including :—

(*a*) The value to be fixed as provided by the 5th section of this Contract of the railways, rolling-stock, plant, and machinery, plans, specifications, and working drawings mentioned in that section.

(*b*) Such sum as the Secretary of State may allow to be charged in respect of the expenses of and incident to the formation and incorporation of the Company, and in connection therewith and such amount (if any) as the Secretary of State may allow, or require to be charged to account of capital, in respect of the cost of the management of the Company and the conduct of its affairs prior to the time when the whole of the unfinished railway shall have been opened for the public carriage of passengers.

(*c*) The cost to the Secretary of State as certified by him of the said several surveys, designs, estimates, and plans mentioned in the 6th and 7th sections, and the value of the unserviceable stores of the unfinished railway mentioned in the 4th section of this Contract.

(*d*) The value as certified by the Secretary of State of all land of which he shall allow the Company to have possession for any purposes of this Contract, except the land handed over to the Company with the purchased railway pursuant to section 3 of this Contract.

(*e*) All moneys which shall be actually expended by the Company, with the sanction of the Secretary of State, out of funds provided by him upon works, rolling-stock, plant, and machinery of the unfinished railway pursuant to the 7th section of this Contract, or upon any branch or extension railway under the 9th section of this Contract, or for any other purposes of the undertaking, the cost of which is chargeable to account of capital.

(*f*) The cost of providing and maintaining a police force in relation to any such part or parts of the undertaking as for the time being shall be under construction or shall not have been opened for public traffic.

(*g*) The charges of the Telegraph department of Her Majesty's Indian Government for rent, maintenance, and inspection of such electric telegraphs and telegraphic appliances (if any) as the Secretary of State may allow the Company to use in relation to the construction of the undertaking or any part thereof, or in relation to any part of the undertaking which shall not for the time being have been opened for public traffic.

(*h*) So much as ought pursuant to the 26th, 27th, and 65th sections of this Contract from time to time to be charged to account of capital.

(*j*) Any amount which the Secretary of State may from time to time require to be charged to account of capital in respect of the cost to him of any of his legal expenses incurred in relation to this Contract, or to any matters arising out of this Contract.

(*k*) The cost of the Secretary of State as certified by him of works, acts, and things which shall be executed or done by him under any of the provisions of this Contract, provided that the cost thereof if executed or done by the Company would have been expenditure chargeable to account of capital.

56. The Capital Account shall from time to time, as the Secretary of State shall require, be made up and submitted to him.

57. In the Revenue Account shall be entered working expenses and all such expenditure of the Company under this Contract and other items as pursuant to this Contract shall be chargeable to account of revenue, and also all such of the moneys to be received by or on behalf of the Company as under the provisions of this Contract are to be treated as received on account of revenue. The Revenue Account shall be made up half-yearly to the 30th day of June and the 31st day of December in each year, or to such other days as the Secretary of State may from time to time prescribe, and shall be regularly submitted by the Company to the Secretary of State, who may in case of error being discovered therein correct the same within three calendar months after the account containing such error shall have been submitted to him. Every Revenue Account shall be considered as settled at the expiration of three calendar months after the time when the same shall have been submitted to the Secretary of State; but nevertheless any error which may subsequently be discovered therein shall be corrected in the then next Revenue Account or in any subsequent Revenue Account or Accounts as the Secretary of State may determine.

58. In the working expenses of any half-yearly period there shall be admitted and included in so far as they are attributable to such period—

(1) All expenditure incurred by the Company with the sanction of the Secretary of State after the opening for the public carriage of passengers of the whole of the unfinished railway in the management of the Company and the conduct of its affairs.

(2) Such proportion of the expenditure last aforesaid incurred prior to the time when the whole of the unfinished railway shall have been so opened as the mileage of the undertaking for the time being opened for the public carriage of passengers shall bear to the aggregate mileage thereof under construction and opened for traffic.

(3) All expenditure incurred by the Company with the sanction of the Secretary of State in keeping the open system in good repair and in good working condition and fully supplied with rolling-stock, plant, and machinery, except such part (if any) of such expenditure as may with the sanction of the Secretary of State be charged to account of capital.

(4) All expenditure incurred by the Company with the sanction of the Secretary of State in keeping the rolling-stock, plant, and machinery belonging to the open system in good repair and in good working condition.

(5) All expenditure incurred by the Company with the sanction of the Secretary of State in the execution of any works of which the cost shall be chargeable to account of revenue.

(6) The cost to the Secretary of State as certified by him of works, acts, and things which shall be executed or done by him under any of the provisions of this Contract, provided that the cost thereof if executed or done by the Company would have been expenditure chargeable to account of revenue.

(7) The costs, so far as not under the terms of this Contract to be borne by the Secretary of State, of providing and maintaining a police force for the purposes of the open system.

(8) All moneys from time to time payable under the rules for the time being in force of the State Railway Provident Institution and the Company's Provident Institution respectively to or for the purposes of those Institutions as hereinafter mentioned, without being dependent on the amount of the net earnings of the undertaking.

(9) The charges of the Government Telegraph Department for rent, maintenance, and inspection of the telegraphs and telegraphic appliances of which the Secretary of State shall from time to time allow the Company to have the exclusive use in relation to the open system.

(10) The costs of and incidental to the preparation of the returns and statistics from time to time furnished to the Secretary of State under the provisions hereinafter contained.

(11) So much as ought pursuant to the 26th and 65th sections of this Contract from time to time to be charged to account of revenue.

(12) All reasonable legal expenses, whether incurred by the Secretary of State or with his sanction by the Company, in relation to the open system, and all such other expenses as the Secretary of State and the Company shall agree to treat as working expenses.

(13) All undischarged working expenses, so far as they are attributable to any previous period or periods or are exceptional.

(14) The value of the unserviceable stores of the purchased railway mentioned in section 4, and the sums debitable to account of revenue in adjustment of the revised valuations of stores provided for in section 54 of this Contract.

59. The sum remaining in each half-year, after deducting from the gross earnings of the undertaking working expenses and all other charges (if any) to revenue account properly chargeable to that half-year, shall be "net earnings," and from such sum shall be deducted such sums (if any) as according to the rules for the time being in force of either the State Railway Provident Institution or the Company's Provident Institution respectively shall from time to time be payable, with the sanction of the Secretary of State, to or for the purposes of either or both of those Institutions, and being contingent on the amount of the net earnings of the undertaking. The amount of earnings remaining after making this payment shall for the purposes of this Contract be "net revenue receipts."

60. The "net revenue receipts" of each half-year shall be applied in the following manner and in the following order:—

(1) In payment to the Secretary of State in rupees of the equivalent at the rate of 14 rupees to the pound sterling of the interest at the rate of 3 per cent. per annum for the half-year paid by him to the Company in respect of the capital (not exceeding 1,000,000*l.*) raised and paid into the Bank of England in pursuance of section 40 of this Contract.

(2) In payment to the Secretary of State of the equivalent in rupees at the rate of exchange mentioned in section 49 of this Contract of interest for the half-year at the rate of $4\frac{1}{2}$ per cent. per annum on the amount of 425,000*l.* Irredeemable Debenture Stock of the old Company.

(3) In payment to the Secretary of State in rupees of interest for the half-year at the rate of 3 per cent. per annum on the total net expenditure standing at the debit of the Capital Advance Account, the Stores Account, and the Capital Account of the undertaking at the close of the half-year, less the sums of Rs. 1,40,00,000 and Rs. 59,50,000 the respective equivalents (at the rate of 14 rupees to the pound sterling) of the capital undertaken to be raised by the Company and of the Irredeemable Debenture Stock of the old Company.

(4) And the residue (if any) shall be divided between the Company and the Secretary of State in the ratio of Rs. 1,40,00,000 (the prescribed equivalent of the Company's capital), and the net expenditure as stated in the last preceding sub-section, less the said sum of Rs. 1,40,00,000, and the proportion thereof which shall be found to belong to the Company shall, as soon as ascertained, be paid over to the Company in India.

Provided that if in any one or more of the first three years of this Contract—that is to say, the three years ending the 31st December 1893—the Company's share of the net revenue receipts under the 4th sub-section of this section shall be less than 5,000*l.*, the Secretary of State shall in each such year out of his share of the net revenue receipts under the same sub-section, or out of the interest payable to him under any or all of the first three sub-sections of this section, pay to the Company in India so many rupees as may be necessary to make up the Company's share for such year to the equivalent of 5,000*l.*, and this sum shall be paid in such manner and at such times that the Company shall have funds in London to the amount of at least 2,500*l.* on the 30th June and the 31st December in each of the said three years.

As to audit and settlement of certain possible questions.

61. The accounts of the Company in relation to its expenditure and receipts in India, England, and elsewhere shall from time to time be audited on behalf of the Secretary of State by such person or persons as he shall from time to time appoint as well as on behalf of the Company, and the Company shall produce to the auditor or auditors so appointed by the Secretary of State all vouchers, books, accounts, papers, and documents of the Company necessary for the purpose of audit, and afford to him or them all facilities requisite for the performance of his or their duties. Amongst the functions of the auditor or auditors shall be included the duty of seeing that expenditure is charged and revenue applied in accordance with the provisions of this Contract. Any correction made in the accounts by any person or persons who shall be acting as joint auditor or joint auditors on behalf of both the Secretary of State and the Company shall be conclusive. If consequent on the audit of any auditor or auditors acting exclusively on behalf of the Secretary of State the Secretary of State shall require any alterations to be made in the accounts, and the Company shall object to the alterations, the matter in difference shall be referred for final decision to two persons, one to be named by the Secretary of State and other to be named by the Company, and in case such two persons shall be unable to agree, then to an umpire to be named by the referees. The costs of any such reference as last aforesaid shall be included in working expenses.

62. If any difference shall arise between the Secretary of State and the Company as to the head of account to which any expenditure of the Company is properly chargeable the matter in difference, unless under the terms of this Contract to be solely decided or determined by the Secretary of State, shall be referred to the decision of the joint auditor or the joint auditors if the Secretary of State and the Company shall have appointed such an officer or officers, but in case such joint auditor or joint auditors shall not have been appointed, then the matter in difference shall be referred to some person to be jointly appointed for the reference by the Secretary of State and the Company, and if the Secretary of State and the Company shall not appoint such a person, then to the decision of two persons, one to be named by the Company and one by the Secretary of State, or failing the agreement of such two persons, then to the decision of an umpire to be named by such two persons. The costs of any reference under this section shall, unless the Secretary of State shall otherwise direct, be included in working expenses.

63. Of the moneys to be so paid as provided by the 45th section of this Contract, such as shall have accrued from the sale of any property not paid for out of revenue on any occasion other than one on which the property sold is replaced by other property of the same or a similar character, shall be treated as received on account of capital; and of all other moneys to be so paid as provided by the 45th section of this Contract, such portions shall respectively be attributed to account of capital and such portions to account of revenue as the Secretary of State shall from time to time determine, having regard in so doing to the principle that receipts from the working of the portion or portions of the undertaking for the time being open for public traffic are, subject to the provisions of this Contract, to be deemed attributable to account of revenue.

64. In case any question shall arise whether any expenditure incurred for the purposes of the undertaking is to be treated in the whole or in part as a charge incurred on Capital Account, or how the same is to be dealt with, the question shall be determined on the general principle that capital is to bear the cost of new works, of additional rolling-stock, plant, and machinery, and of substantial improvements of, and additions to, old works, rolling-stock, plant, and machinery, including the cost of any temporary new work, the construction of which is requisite for the construction of a work properly chargeable to capital, and that the cost of repairs, restorations, renewals, replacements, and substitutions is to be borne by revenue. Provided, nevertheless, that any item of expenditure properly chargeable to capital, in accordance with this principle, on any part of the open system, shall from time to time, if not exceeding Rs. 1,000, be classed as a "minor work" and be charged to working expenses within a maximum amount in each half-year of Rs. 15 per open mile of

railway. Provided also that no portion of the salaries or allowances of any of the Company's permanent supervising staff, although for the time being employed, partly or wholly, in directing or superintending work chargeable to capital, shall, except with the express sanction of the Secretary of State, be charged to capital, and that no expenses connected with the engagement from England, or with the passage from or to England, of any person in the Company's service shall be charged to capital, unless such person shall have been specially engaged to carry out work chargeable to capital, and actually employed upon such work.

As to the supervision, audit, and control of the Secretary of State and the appointment of a Government Director, &c.

65. In all matters not herein specially provided for relating to the fulfilment and performance by the Company of this Contract, so far as the same is to be fulfilled or performed by the Company, the Company and its affairs shall be subject to the supervision, audit, and control (as well in India as in England) of the Secretary of State. The Secretary of State shall be entitled to make a charge half-yearly for his supervision, audit, and control of the affairs of the Company. The said half-yearly charge shall be a mileage rate not exceeding in any case 40 rupees for every mile of the undertaking so far as for the time being either constructed or under construction. The half-yearly charge to be made by the Secretary of State under this section shall cover a moiety of the salary in respect of audit of such joint auditor or joint auditors (if any) as aforesaid, and shall, until the whole of the undertaking for the time being shall have been opened for public traffic, from time to time be apportioned between revenue and capital in such manner as that so much of the half-yearly charge as bears the same proportion to the entirety thereof as the length of railways opened for public traffic at the time when the half-yearly charge is made bears to the whole length of railways on which the same charge is to be calculated, shall be charged to account of revenue, and that the residue thereof shall be charged to account of capital. As from the time when the whole of the projected railways shall have been opened for public traffic the half-yearly charge to be made by the Secretary of State under this section shall be charged to account of revenue exclusively.

66. For the purpose of inspecting the undertaking and the works thereof, either whilst under construction or subsequently, and the stations, rolling-stock, plant, machinery, and stores belonging thereto, and the electric telegraphs and telegraphic appliances for the time being provided under this Contract for the use of the Company, and for the purpose of auditing the accounts of the Company, or otherwise exercising such supervision and control as are intended to be reserved to the Secretary of State by this Contract, the Secretary of State may from time to time appoint such person or persons as he may think proper with such powers as he may consider necessary or expedient, and the Company shall afford every person so appointed all reasonable facilities for the purpose of enabling him to perform the duties entrusted to him by the Secretary of State.

67. The Company shall to the satisfaction of the Secretary of State record and keep in proper books full and particular accounts of all its transactions and proceedings, including full and true minutes of all its meetings, meetings of Directors, communications with India and correspondence, so as at all times to exhibit fully and truly the state of its affairs. The Secretary of State or any person or persons appointed by him in that behalf shall at all reasonable times have free access to all the books, accounts, papers, and documents of the Company relating to the undertaking, with power to call for and make copies of or extracts from the same. The cost of making all such copies and extracts shall be defrayed by the Company, and either charged to revenue or capital exclusively, or apportioned between revenue and capital, as the Secretary of State shall direct.

68. The Secretary of State may from time to time appoint any one person to be a Director of the Company. Such Government Director shall be *ex officio* a member of all committees appointed by the Board of Directors of the Company or by the Company in relation to the undertaking or any matter connected therewith, and shall have power to exercise at his discretion an absolute veto in all proceedings whatever at the

Board of Directors. The said Government Director shall not be removable except by the Secretary of State, and may act by a deputy appointed by the Secretary of State.

As to assisting the Company to make Junctions with and to obtain running Powers over other Railways.

69. The Secretary of State will, so far as he may from time to time consider it desirable with a view to public convenience that any junction should be formed between any railway forming part of the undertaking and any other railway, and that such junction should be effected by the Company, endeavour from time to time to obtain for the Company on reasonable terms powers to form such junction, and will, so far as he may from time to time consider it desirable, with a view to the public convenience, that the Company should in continuation of the service of trains on any railway forming part of the undertaking run trains on any other railway, endeavour to obtain for the Company on reasonable terms and conditions power to do so. If and as often as the Company intend to form between any railway forming part of the undertaking and any other railway any junction which the Secretary of State shall have sanctioned to be made by the Company, the Company shall signify to the Secretary of State its intention to form the junction, and this Contract shall thenceforth be read and take effect as if such junction were a part of the undertaking.

As to running Powers and other facilities and Accommodation for other Railways.

70. The Company shall from time to time, upon the requisition of the Secretary of State, allow the use of the undertaking or any part or parts thereof for the passage of engines and trains from or to other railways of the same gauge upon the payment of reasonable tolls and under reasonable conditions and restrictions.

71. The Company shall from time to time, upon the requisition of the Secretary of State, allow upon reasonable terms and conditions the use for other railways of any such rolling-stock appropriated or belonging to the undertaking as shall not for the time being be required for the purposes of any part of the undertaking, or for any other operations of the Company under this Contract.

72. The Company shall from time to time, upon the requisition of the Secretary of State, execute work in its workshops at reasonable prices and on reasonable terms in respect of rolling-stock and machinery belonging to State Railways, but so nevertheless as not to impede or unduly interfere with the ordinary operations of the Company in respect of the undertaking.

73. The Company shall from time to time upon the requisition of the Secretary of State make reasonable arrangements for the interchange of traffic and rolling-stock and for through booking between the undertaking or any part thereof and other railways, and the Secretary of State shall to the extent of his powers require the managers of such other railways to co-operate in making similar arrangements on the requisition of the Company.

74. The Company shall from time to time, upon the requisition of the Secretary of State, allow the use of any of the stations belonging to the undertaking for the accommodation of the traffic of any other railway upon the payment of reasonable tolls and under reasonable conditions and restrictions, and also upon reasonable terms make such alterations and additions as may in the opinion of the Secretary of State be necessary or convenient for the purposes of such accommodation.

75. The Company shall from time to time, upon the requisition of the Secretary of State, allow any junction to be formed between any railway forming part of the undertaking and any other railway on reasonable terms and conditions.

76. The Company shall comply with all regulations from time to time prescribed by the Secretary of State for clearing through traffic with other railways.

Miscellaneous Provisions.

77. The Company shall not alter, vary, or add to its Memorandum or Articles of Association during the continuance of this Contract in such a way as to affect or prejudice the operation thereof without the sanction of the Secretary of State.

78. The Company shall not during the continuance of this Contract, without the sanction of the Secretary of State in writing first obtained, engage in or carry on any business other than the business provided by this Contract to be carried on by the Company.

79. The Secretary of State shall promote the passing by Her Majesty's Legislature in India of any Act or Acts which may be required to enable the Company to carry into effect this Contract.

80. No claim shall be made upon the Secretary of State by the Company for compensation in respect of the prejudicial effect upon the undertaking or the profits thereof of any Act of Her Majesty's Indian Legislature for the time being in force, and the Company and the undertaking and its equipment shall be subject to the provisions of every such Act, and no claim shall be made upon the Secretary of State by the Company for compensation in respect of the prejudicial effect upon the undertaking or the profits thereof of any treaty, convention, or agreement for the time being in force between the Secretary of State and the Government of any allied tributary or foreign State and the Company, and the undertaking and its equipment shall be subject to the provisions of every such treaty, convention, or agreement as mentioned in this section.

81. The Company shall not, without the consent of the Secretary of State, acquire, either absolutely or for any limited estate, any land situated in the dominions of any allied tributary or foreign State, or any rights or easements in, over, or in respect of any land so situate. The expression "land" as regards the operation of this section includes mines, minerals, buildings, easements in or over lands, and generally all hereditaments of every description and of whatever nature or tenure, whether corporeal or incorporeal. This section shall not apply to any land of which possession may be given to the Company by the Secretary of State.

82. No communication or negotiation of any description or in respect to any matter shall, unless with the sanction and under the supervision of the Secretary of State, be made or conducted by or on behalf of the Company to or with the Government of any allied tributary or foreign State, or with any officials of any such Government.

83. The Company shall from time to time prepare and furnish to the Secretary of State such returns and statistics as to traffic and otherwise as the Secretary of State may from time to time require, and such returns and statistics shall be prepared in such form and under such heads and divisions and with such details as the Secretary of State shall from time to time prescribe. The cost of preparing such returns and statistics and incidental thereto shall be included in working expenses.

84. The Company shall at any time, upon the requisition of the Secretary of State, establish and thenceforth maintain out of contributions from revenue and on terms to be agreed upon between the Secretary of State and the Company, reserve funds for the purposes of insuring property, whether appropriated to the undertaking or in the custody of the Company as carriers of passengers and goods, or in any other capacity, against damage by fire, and of making good deteriorations of permanent-way and rolling-stock. No part of any such reserve funds for the time being subsisting shall be applied to any purpose without the sanction of the Secretary of State.

85. The Company may and, if required by the Secretary of State so to do, shall establish on terms to be approved by the Secretary of State a Provident Institution for the benefit of servants of the Company, and thenceforth maintain and manage the institution so established under rules and regulations to be approved by the Secretary of State, and which rules and regulations shall be subject to be varied from time to time as he shall approve.

86. The Company shall, if required by the Secretary of State, maintain and manage the State Railway Provident Institution for the benefit of the Government servants, members thereof, employed upon the undertaking, upon such terms and under such rules and regulations as shall from time to time be approved by the Secretary of State.

87. Any notice, determination, decision, direction, requirement, requisition, appointment, certificate, or expression of opinion, approval, or sanction to be given or

signified on the part of the Secretary of State for any of the purposes of or in relation to this Contract or any of the powers or provisions herein contained shall be sufficient and binding if in writing signed by the Secretary of State or one of his Under Secretaries or his Assistant Under Secretary, or by a Secretary of Her Majesty's Indian Government, or by any other officer or servant authorised to act on behalf of the Secretary of State in respect of the matters to which the same shall relate, and the Secretary of State shall not in any case be bound in respect of any of the matters aforesaid unless by some writing signed in the manner before mentioned in this section.

88. The Company shall at all times during the continuance of this Contract keep an office established at some place in India to be determined from time to time by the Secretary of State, and shall keep at the said office an authorised agent or committee of agency with whom the Secretary of State and Her Majesty's Indian Government or any officer or officers deputed on behalf of the Secretary of State or Her Majesty's Indian Government may communicate on affairs concerning this Contract, and the duties and liabilities of the parties hereto under this Contract, and to whom the Secretary of State and Her Majesty's Indian Government and such officer or officers as last aforesaid may respectively pay moneys for the use or on behalf of the Company, and all drafts drawn and receipts given by the said agent or committee of agency or under his or their authority on behalf of the Company in relation to this Contract, or to any payment made or matter arising under or out of or by virtue of this Contract, shall be binding on the Company, and every notice to be given to the Company (save any notice with respect to the termination of this Contract under the subsequent provisions hereof) shall be sufficiently given if left at the said office or personally served on the said agent or any member of the said committee of agency.

89. The Company shall not in respect of the performance or fulfilment by it of its duties and obligations under this Contract be entitled by any implication of law to remuneration as for services rendered by it to the Secretary of State.

As to termination of the Contract and Provisions to come into effect thereon.

90. The Secretary of State may, if this Contract shall not have been previously terminated, terminate the same either on the 31st day of December 1910 or on the 31st day of December of any succeeding fifth year by giving to the Company in England not less than 12 calendar months' previous notice in writing of the termination of this Contract. The Secretary of State may also if default be made by the Company in duly paying any sum or sums payable by the Company under the 40th or the 42nd section of this Contract, or in the construction and completion in conformity with this Contract of any part of the undertaking or any of the stations or other works thereof, or in the due equipment pursuant to this Contract of the undertaking or any part thereof with rolling-stock, plant, and machinery, or in case there shall be any breach on the part of the Company (whether by act, omission, or default) of any of the stipulations or provisions of this Contract, or in case the undertaking or any part thereof shall at any time in the opinion of the Secretary of State be in course of gross mismanagement by the Company, or be worked at a loss as shown by the revenue account, and have been so worked for not less than three half-years continuously down to the time at which the Secretary of State shall give to the Company the stipulated notice of termination under this present power, terminate this Contract by giving to the Company in England six calendar months' previous notice in writing of the termination of this Contract.

91. Upon the day on which this Contract shall expire under the 2nd or be terminated under the 90th section hereof the Company shall relinquish to the Secretary of State all land of which he shall have allowed the Company possession under or for the purposes of this Contract (except such land as may previously have been relinquished to him or sold with his sanction), together (by way of inclusion, not of exception) with the stations, station-yards, offices, warehouses, houses for employés' conveniences, rails, machinery, fixtures, and plant, then erected, or being on the land to be relinquished under this section or in anywise belonging to the undertaking or any part thereof, and also deliver to the Secretary of State possession of any office in England of the Company, and also relinquish or deliver to the Secretary of State all

rolling-stock, moveable machinery, plant, and articles belonging or appropriated either as regards purposes of construction or working or otherwise to the undertaking or any part thereof, or any of the works or adjuncts thereof, and the then existing stock of stores appropriated, whether for purposes of construction, working, or otherwise to the undertaking, or to any of the works or adjuncts thereof, or to the equipment thereof, and all plans, books, surveys, sections, printings, writings, and documents whatsoever in anywise connected with or with the construction or maintenance of the undertaking or any part thereof, or any of the works or adjuncts thereof, and any electric telegraphs, telegraphic appliances, and other property belonging to the Secretary of State and then in the possession of the Company in reference to this Contract, including all furniture and tenant's fixtures appropriated to the office in England of the Company, and generally all property, whether real or personal and whether in England or India or elsewhere, then in the possession or power of the Company which shall be or have been acquired or paid for by or with money supplied to the Company by the Secretary of State. The Company shall also on the day on which this Contract shall expire or be terminated refund to the Secretary of State all such of the moneys previously supplied by him to the Company under the 47th section of this Contract as shall then remain unexpended with the sanction of the Secretary of State, and shall make over to the Secretary of State any such reserve funds as aforesaid then existing under this Contract, subject to any terms which may have been agreed upon under the 84th section hereof. The Company shall at the cost of the Secretary of State execute or procure to be executed any such assurances as he shall reasonably require to be executed for the purpose of giving full effect to the previous provisions of this section.

92. The Secretary of State shall be entitled to the benefit of and shall indemnify the Company against all such Contracts entered into with his sanction by the Company as shall be subsisting at the time of the expiration or termination of this Contract.

93. The termination of this Contract shall not prejudice the rights of either of the parties hereto as against the other of the parties hereto in respect of any covenant herein contained which may be broken prior to the termination hereof or which may continue or be in force after such termination.

94. Upon the relinquishment, delivery of possession, delivery, payment, or making over to the Secretary of State by the Company in conformity with the 91st section of this Contract of all the particulars and property therein respectively provided to be relinquished, delivered possession of, delivered, refunded, or made over by the Company, the Secretary of State shall become bound to indemnify the Company, its property and effects, against all such debts and liabilities (if any), including liabilities on debentures as it may have incurred with the sanction of the Secretary of State and as shall be then subsisting.

95. Upon the expiration or determination of this Contract under any of the provisions herein contained the Secretary of State shall, out of the revenues of India, pay to the Company in London an amount in sterling equal to the amount which shall have been paid by the Company conformably with this Contract in respect of the said sum of 1,000,000*l.*, and also an amount also in sterling equal to the aggregate of such further sum or sums of money (if any other than and beyond any sums paid in respect of the said sum of 1,000,000*l.*) as shall have been paid by the Company into the Bank of England to the credit of the Secretary of State pursuant to this Contract and shall be represented by share capital or stock. Provided nevertheless that the Company shall not be entitled under this section to receive any money unless or until it shall in substance have performed and discharged its duties and obligations under the 91st section of this Contract.

Arbitration.

96. If the Secretary of State and the Company shall fail to agree touching any matter with respect to which their agreement is required by this Contract, or if in any case not herein specially provided for any dispute, question, or controversy shall at any time arise between the Secretary of State and the Company touching these presents or any section or thing herein contained, or the construction hereof, or any matter

connected with these presents or the operation hereof, or the rights, duties, or liabilities of either party in relation to the premises, then and in every such case the matter as to which the Secretary of State and the Company shall fail to agree, or the matter in difference, as the case may be, shall be referred to two arbitrators, one to be appointed by each party, pursuant to and so as with regard to the mode and consequences of the reference, and in all other respects to conform to the provisions in that behalf contained in the Arbitration Act, 1889, or any subsisting statutory modification thereof.

In witness &c.

189...
Encls. No. 9
To
O. No.

Copy of a letter N° $\frac{21685}{2336}$ dated 10th November 1897 from the Chief Auditor to the Agent S. I. Ry.

Payment of earnings into Treasury
Your letter N° R $\frac{1713}{3372}$ of 2nd instant

May I request that you will take further action in this matter, as from G.O. N° 849 dated 11th October last it would seem that Government is under the impression that the traffic collections are not remitted daily to the Local Treasury.

In this connection, I beg to observe that these remittances are and always have been made daily before 12 a.m. Sundays and those holidays on which the Treasury has been closed excepted.

I have already reported many cases of extraordinary delay on the part of the Treasury Officer here in granting receipts and several have since occurred

The Treasury is closed on Sundays and when a holiday occurs on a Saturday or a Monday (as is very often the case) a block occurs in the issue of receipts for remittances.

During

During the Christmas and Easter Holidays when the Treasury is closed for days together, the delay in granting receipts is of course much greater.

In clause 45 of the Company's Contract it is laid down that all money received in India by the Company shall be paid into some Government Treasury in India approved for the purpose by the Secretary of State, and the Local Government on behalf of the Secretary of State has ruled that Trichinopoly shall be that Treasury. I submit therefore that the Company cannot be required to pay its receipts into other Treasuries as suggested by the Accountant-General, Madras, and I would add that such a proceeding would cost much more than the two additional shroffs at the local treasury.

In conclusion, I would refer to para 3 of the Madras Accountant-Generals Memorandum quoted in G.O. N° 849 and point out that in this matter the Company is not in the position of an individual who requires a receipt from Government for a Crore of Rupees. Our receipts are very nearly the same from day to day and all we ask is that receipts may be granted without delay for our daily remittances.

Form No. 69.

COPY of a communication from the

Agent South Indian Ry to

the Consulting Engineer for Railways, Madras,

No. 1090, dated 12th November 1897.

With reference to Government Order N°878R dated 28th October 1897, I have the honour to forward a copy of letter N° a $\frac{21685}{2336}$ dated 10th November 1897 from the Chief Auditor.

2. In Government Order N°849 dated 11th October 1897 it is laid down:-

(a)- That remittances to the Trichinopoly Treasury should be made daily.

(b)- That if the system of daily remittances is found to be productive of delay, payments should be divided between the Treasuries at Trichinopoly, Madras, Cuddalore, Tanjore, and other Convenient centres.

With reference to these instructions, I beg respectfully to point out that remittances are made daily, except on such days as the Trichinopoly Treasury is closed, and that there would consequently appear to be some mistake in the facts placed before Government. Under clause 45 of the Contract the Company is required to pay monies received in India into some Government Treasury and could

could not without instructions from my Board depart from the terms of the Contract by making these payments into several Treasuries.

3. I do not think the Accountant General's letter No 10/529 dated 23d September 1897 correctly represents the matter at issue. There is no question of the Trichinopoly Treasury being called upon to receive a sudden abnormal payment of the nature described. The payments made by this railway rarely exceed Rs 30,000 per diem, except in cases when by reason of the Trichinopoly Treasury being closed the collections of two or more days have accumulated. The numerous and lengthy delays which have occurred in granting clear receipts for railway remittances, throw a responsibility on this Company not covered by the Contract and one which I trust Government will be pleased to remove. If railway collections have to be paid into any other Treasury than Trichinopoly, it will be necessary to employ an additional Audit Officer. This would mean far more expense to Government than increasing the Treasury staff.

F

189
Dept.
Enclos. No
3506

CURRENT No.

OFFICE NOTE No. 24 R. M.

Dated 19th November 1897.

From

THE JOINT SECRETARY TO GOVERNMENT, P. W. D. (RAILWAY BRANCH),

To

THE Honourable the Chief Secretary to Government,
Financial Department,

Wd S

With reference to Government Order (Financial) No. 849, dated the 11th October 1897, which was communicated to the Agent, South Indian Railway with this Department G.O. No. 878R, dated the 28th October 1897, I send herewith a copy of a letter received in reply from the Agent, South Indian Railway with its enclosures, and also a copy of the Agreement with the Secretary of State under which the South Indian Railway, which is the property of the State, is worked by the working Company.

I am of opinion that the Accountant General is quite wrong, and that the responsibility of holding in safe custody unduly large sums of money, the property of the state, cannot be forced upon them. I think that Government are bound to receive from them each day, and give them clear shroffage of, and a receipt for, all that they tender for safe custody.

The procedure which this Government in the Financial Department wish to force upon the Company will undoubtedly necessitate the employment of additional Government and Company Audit establishment, the cost of which will be far in excess of the small extra cost of the additional treasury hands which the rendering of a clean daily receipt will make it necessary to engage.

I do not think that this Government's action will be upheld when the matter is referred to the Company's Board, and thence through the Government Director and the secretary of State to the Government of India.

It will I think be found as a general rule, that when extra large sums are offered by the Company to the Treasury officer, the reason is that Treasury holidays, which are not railway holidays, and for which the railway Company are not responsible in any way, have intervened.

Francis H. Spring

Offg: Joint Secretary.

Financial (1897) Department.

~~3969~~ 3970

CURRENT No.

Jnazlll Hrnaam
Full Note Cml 15/12/97
Recd fr. Ref. 16/12/97

CHIEF SECRETARIAT 15 DEC 1897 GOVERNMENT OF MADRAS

From The Acctt General Madras.

Order

No. ID/820

Dated 14th December 1897

Received 15 } 12. 97

Registered 16 }

Enclosures C. 8685 returned.

Spare copies

SUBJECT.

Submitting remarks on ~~letter~~ the office note of the Public Works Dept, Railway Branch in connection with the payment into the Trichinopoly Treasury of the Collections of the S. I. Railway Company

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

CURRENT No 3970

Fort St. George,
Accountant-General's Office,
14th December 1897.

G Resource Department.

No. 19/820

From F. C. Harrison Esquire,
Offg. ACCOUNTANT-GENERAL to the
GOVERNMENT OF MADRAS,

To The Chief Secretary to Government,
Financial Department.

Sir,

With reference to your endorsement No 2605, dated the 29th November 1897, on the office note of the Public Works Department Railways Branch in connection with the payment into the Trichinopoly Treasury of the South Indian Railways Collections, I have nothing practically to add to my letter No 19-529 dated the 23rd September. The Railway is, I think, making a mountain out of a mole-hill. If these remittances usually do not (as is averred) exceed 30000 Rs and are sent in before 12 A.M., then I see no reason why

F

why the Treasury should not shroff them in 24 hours. When holidays or a Sunday intervene and the collections are large, the railway should not, in my opinion, object to a temporary receipt for so much subject to shroffage. Coin under shroffage is kept under double locks. I therefore do not understand the "responsibility" to which the agent and Mr. Spring allude to. Every one knows that the disallowances by Government are very small and the delay, of which so much is made, is or should be, at the outside, 24 hours. It is unreasonable to expect Government to employ permanently on their staff men who are only occasionally required.

2. If the Agent continues to press his view, a simple way out of the difficulty from a Government point of view, is to direct the payments to be made here – at headquarters.

I have the honour to be,
Sir,
Your most obedt: servt:,
[signature]
Offg: Accountant-General.

[G. / 25 A]
500–8-12-97.

Financial DEPARTMENT.

C. No. 3685 from P.W.D.
" 3970 " A.G.

SUBJECT.
S.I.R. remittances into the Trichinopoly treasury &c

HM

P.W.D. (Ry) for remarks?

FOR ORDERS.

With the first of the foregoing currents the P.W.D. forwards, with remarks, copy of a letter from the Agent, S.I.R., replying to G.O. No 849 dd 11th Oct: 1897 wherein the Govt., while negativing the request for increase of the treasury establishment at Trichinopoly in view to obviate the delay in granting receipts for S.I.R. remittances, observed, –

(1) that remittances to the Trichinopoly treasury should be made daily, and

(2) that if the system of daily remittances is found to be productive of delay, payments should be ~~made~~ divided between the treasuries at Trichinopoly, Madras,

Cuddalore, Tanjore and other convenient centres.

2. As regards (1), the Agent points out that remittances are as a matter of fact now made daily except on such days on which the treasury is closed; that the payments made by the railway rarely exceed Rs 30,000 per diem except in cases where by reason of the treasury being closed the collections of two or more days have accumulated; and that the numerous and lengthy delays which have occurred in granting clear receipts for railway remittances throw a responsibility on the Company not covered by the Contract. The Accountant General, to whom the papers were referred for remarks, states (vide C No. 3970) that if, as is averred by the Agent, the remittances rarely exceed Rs 30,000 per diem and are sent in before 12 a.m. there should be no difficulty in shroffing them in 24 hours; that when holidays intervene the Railway should not object to receive temporary* receipts subject to shroffage; that coin under shroffage being secured under double locks no "responsibility" can attach to the Company; and that it is unreasonable to expect Govt. to employ permanently on its staff men who are only occasionally required.

3. As regards (2), the Agent states that as under art. 45 of the Contract between the Sec^{y} of State and the S.I.R.Co, the Company is required to pay monies received in India into some Government treasury, he could not without instructions from the Company's Board depart from the terms of the Contract (above referred to) by making payments into several treasuries; and with reference to this point, the P.W.D. which entirely supports the Agent's views in general says that "this Government's action "will (not) be upheld when the "matter is referred to the Company's "Board, and thence through the "Government Director and the "Secretary of State to the Government

* "Article 663 of the Civil Account Code lays "down the procedure to be observed by "the receiving treasury on receipt of a "remittance of specie. It requires that "credit for the invoiced amount should "be given immediately on receipt subject "to adjustment on detailed examination. "x x x" (Para 2 of AG's letter in G.O. 392 11.5.97)

† "45. All moneys whatsoever x x x "shall x x x be paid x x at such "times and in such manner as the "Secretary of State may from time to "time direct in manner following "(that is to say): as to moneys received "elsewhere than in India by or on behalf "of the Company into the Bank of "England to the credit of the Secretary "of State, and as to moneys received "in India into some Government "treasury in India to be from time "to time approved for the purpose "by the Secretary of State" (vide flag C in G.O. 237 dt 18.3.97)

also flag Q

of India". The Agent ~~contends~~ makes a point of the phrase some Government treasury by taking it to mean some one Government treasury as opposed to more than one. Applying, however, the usual canon of interpretation to this case viz. that the singular does not exclude the plural, the phrase some Government treasury would mean, not, as the Agent takes it, some one Government treasury, but some Government treasury as distinguished from a private bank or firm which does not belong to Govt. If this view is correct, the Agent's objection loses all its force and there can be no reason why, if only to meet the Company's own wishes to have receipts on the very day of payment, payments should not be divided between more than one treasury as laid down in G.O. no. 849 dy 11th Oct: 1897. The need for any reference to the Company's Board to does not appear.

4. If, as is averred by the Agent, the remittances made to the Trichi treasury

It is thought that this interpretation will not hold. The Agent seems to be right here.

Cur.S. 22.12.97

do not exceed Rs 30,000 per diem and are sent in before 12 noon in which case, as Mr Harrison says, there should be no difficulty in shroffing them in 24 hours (barring of course the holidays), and if the Company accepts the suggestion to divide their payments between more than one treasury (which they can very well do, it is submitted, despite the Agent's view to the contrary) there does not seem to be any necessity for increase of establishment anywhere. Subt, therefore, that the orders issued in G.O. 849 dy 11.10.97 maybe allowed to stand, — the Company being allowed the alternative of adopting the A.G's suggestion that payments might be made at head-quarters at Madras, which would obviate all the objections now raised by the Agent though perhaps it may not be quite feasible from the Company's point of view, — Trichinopoly being the head-quarters of the S.I.R.

S

This as the A.G. points out, is the solution of the difficulty which Govt. must adopt if the Railway pursues the matter further. It is the best solution

Cur.S. 22.12.97

C.A.
Vide last para of Agent's letter flagged Z. Does Govt pay the cost of the Audit Est. and would this be affected by payment of the Rly. receipts into Bank at Madras.

JH 17.12.97

KA 7.1.98.

Cur.S. 22.12.97

[G/118]

2,000-16-11-97.

Financial Department.

C. No.

TELEPHONE MESSAGE.

From

~~The Chief Secretary to Govt,~~

CHIEF SECRETARIAT,

To

Acct Genl

The ~~Joint Secretary to Govt,~~

~~P.W.D. (Railway Branch).~~

Dated 29th January 1898.

Reference your I.D. 820. 14 December 1897. In ~~the last para.~~ ~~of the~~ letter from the Agent, South Indian Railway ~~No~~ 1090 d/ 12th Novr /97, ~~forwarded with your office note No 24 R.M. d/ the 9th idem the Agent~~ he states that if railway collections have to be paid into any other treasury than Trichinopoly, it will be necessary to employ an additional audit officer and that this would mean far more expense to Govt than increasing the Treasury staff. ~~Will you please say whether Govt pays the cost of~~ ~~the~~ Railway Audit establishment ~~and~~

It is presumed the Agent refers to ——

P.T.O.

the cost of which would it is understood fall on Imperial.

Please let me know if this is so & how this would be affected by the payment of the receipts into the Bank of Madras. Does the S.I.R. pay any of its receipts into the Bank of Madras now & if so how is the auditing provided for.

Cwb.
27.1.98

This had better go as an off[?] memo. A.A.
2.2.98.

X Note The A.G. apparently considers that this work at Madras could be done without increased establish[ment]
Cwb

(+) Note It must, I think
Cwb

Tapi[?]
27/1/98

Financial Department.

W2
11-2-98

VII

MEMORANDUM. No. 384
11-2-98

Read — Letter from the Accountant-General No.I.D.820, dated 14th December 1897.

In his letter dated 12th November last the Agent, South Indian Railway, states that if railway collections ~~have to be~~ were paid into any other treasury than Trichinopoly, it ~~will~~ would be necessary to employ an additional audit officer and that this would mean far more expense to Government than increasing the Treasury Staff. It is presumed that the Agent refers to the Railway Audit establishment the cost of which would, it is understood, fall on Imperial. The Accountant-General is requested to state whether this is so, and how this would be affected by the payment of the receipts into the Bank of Madras. It should also be ~~stated~~ reported whether the South Indian Railway, pays any of its receipts into the Bank of Madras now, and, if so, how ~~is~~ the auditing is provided for.

Cwb. 3.2.98 A.A. 10.2.98

Madras is "any other treasury" & thus[?] the effect[?] will be the employment of an additional officer

To
The Accountant-General.

Tapi[?]
3/2/98

589 Fin

Resource

DEPARTMENT.

FORT ST. GEORGE,
Accountant-General's Office,
19th February 1898.

No. 22/950

From

F. C. Harrison Esquire,

ACCOUNTANT-GENERAL TO THE
GOVERNMENT OF MADRAS,

To

THE Chief Secretary to Government,
Financial Department

SIR,

With reference to your official memo No. 384 dated the 11th February 1898, I have the honour to state that I have no information regarding the nature and cost of the establishment therein referred to. The Examiner of Railway Accounts will be in a position to furnish the required information.

2. The South Indian Railway does not pay any of its collections into the Bank of Madras

I have the honour &c,
Sir,
Your Most obedient Servant

F. C. Harrison
Accountant General

Financial (1898) Department.

CURRENT No. 589



C.Nos.3685 & 3970 of 97
and 589 of 98

From The Accountant General, Madras.

Order

No. 517, dt 24-2-1898.

No. 10/950

To

The Public Works Department
(Railway Branch)

Dated 19 February 1898.

Received 21 "

Registered 22 "

Enclosures

Spare copies

Please see the memorandum to the Accountant General No.384, Financial, dated 11th February 1898, and his reply in Current No.589 Financial. Can the Public Works Department furnish the information required?

A Arnold
Chief Secretary

Cmd 24.2.98

N.B. Please return the papers with reply and do not disturb the file.

SUBJECT.

stating he has no information regarding the nature and cost of the establishment referred to in official memo No. 384, dt 11-2-98.

CURRENT No 715 Finl

No. 109 R.M dy 3rd March 1898.

To. The Financial Dept.
Chief Secretariat

The accompanying Notes, flagged T by the Under Secretary dated 24-2-98 and the Govt. Examiner Guaranteed Ry. Accts. dated 1-3-98. furnish the information required.

F. ... Spring
Jt. Sec. P.W.D. Rys.

2/3/98

Recd } 4-3-98
Regd }

BC
5/3/98

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

ER Fin. Note Flag N.

The information asked for is contained in the file and seems unnecessary to refer again to the Agent

Flag Z 1. The Agent is obviously referring to his own audit staff.

2. The Agent says that if the money were paid into any treasury other

Flag Z than Trichi an additional audit office would be required ergo the additional office would be required if Madras were substituted as the treasury.

3. The S.I.R. pay all their receipts into Trichi. see A.G's letter 725 Flag P of 4/3/87 & in Fin file G.O. 237 Flag B of 18/3/89

[illegible] 24/2/98

EXAMINER, RAILWAY ACCOUNTS, MADRAS.
Regr. No. 105
28 FEB. 1898
Enclosures

C.R.
for remarks.

[illegible]
28/2

E.R.

Any additional expenditure, which would be caused by S.I.R. receipts being paid into treasury at Madras instead of at Trichinopoly, would fall upon Govt (Imperial funds) & the Co. in the proportions in which the profits of the line are now divisible; that is to say speaking roughly. 4/5th of such extra cost would fall upon Govt & the remaining 1/5th on the Co.

It is certain that a good deal of extra expenditure & extra risk of loss would be involved in the change, due to:—

(1) The carriage of receipts from all stations to one extremity of the line instead of to a central point like Trichinopoly.

(2) The provision of additional Upper & Lower accommodation at Madras (Egmore Station) for securing overnight counting & storing receipts prior to their transfer to the Bank.

(3) The duplication of certain Audit Office Staff which now deals with cash receipts & cash payments, but which could not so deal with both, if receipts were collected & paid in at Madras.

(4) Probably an extra Police Guard at Egmore for guarding cash kept there & counting it to the Bank. The present guard at Trichinopoly could be partly reduced, but not done away with, as there would still be a good deal of cash for payments, remittees in the Strong room &c to be looked after. The share of the cost of extra Police Guards, which is not chargeable to the Ry, would fall wholly on Provincial funds (Police)

(5) To avoid the risk of loss due to the greater interval of time which would elapse before the Audit Office received information of payments into the Banks at Madras, & to any large sums being left in the hands of subordinates without adequate supervision, it would probably be necessary, as the Agent states, to appoint & post another Audit Officer at Egmore.

E Waller
C R 1/3/98

SML
FK 2/3

The Hon. Sir H. Bliss. CS/

See end.

Fuil: dept.

C Nos: 3685 & 3970/97
& 569 & 715/98.

Note.

Attention is solicited to the note flagged W and to memo No: 384 dy 11 Feb: 98 flagged N. C. No: 715 is the P. W. dept's reply to the memorandum: From the note forwarded with this C. No: (flagged T), it will be seen that the S. I. R. Co. now pays all its receipts into the Trichinopoly Treasury, that the staff referred to in the Agent's letter is his own audit staff and that an additional audit officer would be required if money were paid by the Company into any treasury other the Trichinopoly. The Examiner, Guaranteed Railways Accounts is of opinion that the proposal regarding the payment of Railway receipts into the Banks of Madras, if carried out, would necessitate the Conveyance

the

the collections from all stations to one extremity of the line instead of to a central point like Trichinopoly; the provision of additional office and strong room accommodation at Egmore; the duplication of certain audit office staff employed by the Company; and the employment of an extra Police guard & an addl. audit officer for the Egmore station the share of the Cost of the ~~former~~ extra police guard, which is not chargeable to the Railway, falling wholly on Provl: funds. The Examiner accordingly Considers that a good deal of extra expenditure and extra risk of loss are involved in the proposal and adds that the additional expenditure itself (with the exception of the cost of the Police referred to above) will fall on Imperial funds & the Company, roughly speaking, in the proportion of 4/5 ths to 1/5 th. ~~The Acctt. Genl's suggestion in para 2 of C No: 3970~~

The cost of the extra police guard at Madras would be partially, ~~if not~~ counterbalanced by the reduction in the strength of the Police guard at Trichinopoly The remainder of the extra cost would fall on Imperial funds & on the Railway Company. The arrangement of paying the S. I. R. receipts into the Bank of Madras may not be so convenient to the Company as the present procedure; it will certainly cost the Company more: but if the Company is not satisfied with the arrange=ments at Trichinopoly it will have itself to thank for the inconvenience & the extra expense

CMB
15/3/98

See G.O. 849/11 Oct 97 flag S and notes preceding it. Then the correspondence on C. No 3685 beginning with Agent's letter flag Z. The net result is that we cannot compel the S.I.R. to bank with the Trichy. Treasury and the Bank

of Madras at the same time (Vide para 45 of the S.I Ry. Contract flag Q), and that much additional expenditure w^d fall on Imperial and a smaller amt on the Ry. if banking with the Madras Bank alone were insisted on. The practical conclusion is that we had better give the Trichy. Treasury an addl. shroff on Rs 20 a month as proposed by the A.G. See Mr Forbes's note just before flag S.

AA 15.3.98

I suppose we must do this. But it is hard lines that we should have to make extra payments on account of receipts none of which come to hood.

RS 16/3/98

[G/24] 100 14-2-98.

CHIEF SECRETARY GOVERNMENT OF MADRAS 6 APR 1898

Financial DEPARTMENT.

Papers to be read in Proceedings:—

Again G.O., dated 18th March 1897, No. 237 Financial (p)

Again G.O., dated 11th May 1897, No. 392 " "

" " , " 11th October 1897, No. 849 " "

~~Current No.~~ ~~of 189~~, dated , ~~from~~

" No. 3685 of 1897 }
" 3970 " ~~189~~ , " , " } (p)
Memorandum No. 384 of 1898
~~Current~~ No. 589 " 1898 , " , " }
" " 715 " 1898

C.S.

ORDER. ~~Mis~~ No. 359 D/ 7. 4. 98.

In the circumstances represented in the papers read above, the Govt. sanctions the proposal to increase the treasury establishment at Trichinopoly ~~and by the~~ ~~accordingly sanctions the~~ by the entertainment ~~of~~ of an additional shroff on Rs.20 per mensem with effect from 1st April 1898. A proposition statement should be forwarded in due course.

(From Orders)

AA 29.3.98

31-3-98

To

The Acctt.Genl.

,,, Rev.Dept.
,,, P.W.D.

Desp'd 14.4.98

Rev. } for C.S.
PWD }

K

To write. Noted 30/3/98

28/3/98

2/4/98

R.

When given for copying ____
When copied ____
When examined ____
When signed ____ } 189 .

READ AGAIN G.O., No. 189 . DATED

CURRENT No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT	A	A	A	A	A	A	A	
LETTER OF GOVERNMENT								
STATEMENT WITH DITTO								
PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH IN ORIGINAL.								

N.B.—
A = Copy in full.
B = Not to be copied.
P = Copy abstract only.
Q = Copy heading only.