

Public Works (1897) Department.



G.O., No. 3 R

DATED 4. January 1897

[Despatch Abstract.]

Nelgiri Railway: Letter to the Govt of India
stating that this Govt desires to see the proposed
extension of the - to Ostacammund put in hand at an
early date. Recommending that assistance should be
given to the Company to enable them to raise the re-
quired Capital

To 141.
P.W. 15.
[8,000-80-11-96.]

Indexed. 16/1

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
—	148R	—	10-3-97-				
—	205R	—	28-3-97.				
—	279R	—	23-4-97-				
—	417R	—	25-6-97-				
—	504R	—	27-7-97-				
—	245-46Ry	—	12-2-98-				

SERIAL
No. 37

To
H. E. The Governor
Hon. W. Blair
Hon. W. F. Perry

Mr. Wrightman assure me that
if Govt were to press for the
construction of the extension I only
he is sure that the Company
will gladly take it up. In fact
his Board have previously decided to

to. B The question therefore is, does
the Govt. of Madras desire the Nilgiri
Rly to be extended to Coity at an
early date, and is it proposed to
more fully involve the Company or the
Govt. of India in the matter.

Progress so far on I am aware
no statistics of the Market ^{been} ~~traded~~
where Comm. & City have ~~no~~ complete
and on the other hand no regular ^{estimates} ~~figures~~
for the work ^{has} ~~is~~ made so that it is not
possible yet to forecast how the
situation would have. That however
would be the Co's business if they
decide to make it. But they would
probably ask for a guarantee of some
kind, perhaps on the similar principle
to that is given them for the existing
piece. This is a guarantee of a
certain definite amount, i.e. \$100,000
apart to make up the gross earnings
to \$1,000,000 per half year if they happen
to fall short of the amount. It is
therefore desirable to get gross statistics
to enable the Collector to make such
a thing.

Of course the Govt. of Madras cannot
set liability on its own responsibility
towards the Comm. It must refer
to the Govt. of India. But to ascertain
the gross Govt. desire to make the R.
itself, and also what time will be
likely to be successful. But for such
a return an estimate of the gross to
of the cost of the work is necessary.

I therefore suggest that the E.N.C.
N.R. should now be written to
suggesting that if the Co. desire to

Want
figures
about this

Ray F

Yes.
A.H.
6.7.96

A.H.

I think we should do well in
taking this step, for I conclude
that the Govt. of India will desire
this extension. A.H. 6.7.96

make the extension they should
make a definite proposal. and
I put up a draft showing what
I mean. It will be noted that
it is from ^{Consulting Engineer} ~~the~~ not from the
Govt. of Madras.

The Collector might also be
desire to collect the necessary
statistics.

Yes.
A.H.
6.7.96

Order can also be obtained in
the form of a Petition to
refer to the petition of the
inhabitants of Mettupalayam. Two
of them (Slips A and B) were
referred to in my note of
29.4.96, and a third (Slip C)
has come in since. I attach
a draft reply which I suggest
might be sent.

I quite agree with H.S.

W.S.
8/7/96

J.S.
8/7/96

4/7/96

Form No. 10.

Railway Department.

SERIAL

OFFICE OF THE CONSULTING ENGINEER FOR RAILWAYS,

Madras,

To

Enr. Nellore Ry

No. 104 Reply No. , dated

SIR,

With ref. to communication
bearing date your No 402 of
18.6.96 I 1/2 I am
pleased to hear that you
propose to undertake the
relocation of the Nellore Ry.
to Chittoor in the near
future, and I do suggest
that it should make a definite
application for permission to
do so, attached of course to the
~~and~~ ~~comparative~~
and estimates and proceeds
of the project

Reminders.

Reminders to Engrs:

104 of 23/9/96

and 23/9/96

A.S.H.
6.7.96

Despatched on 7/7/96.

Inc
7

CRW

4/2/96

no. 104 of 9th July 1906.

28/8/06

SERIAL
No. 39

The Nilgiri Railway
Coonoor, 14 December, 1896.

FROM

THE AGENT AND CHIEF ENGINEER,
NILGIRI RAILWAY,
COONOOR.

TO

*The Consulting Engineer
for Railways
Madras.*

Sir, I have been requested by the Board of this Co. to forward the enclosed letter to the Government of India.
2. I have the honor to request that you will kindly forward it with any remarks you may see fit to make.
I have the honor to be
Sir

Your most obedt. servt.

W. J. Noel
AGENT & CHIEF ENGINEER.

5277
C. No.
Recd. 2/12/96

312

Received of the Agent
and Chief Engineer, Nilgiri Ry
to the Secretary to the Government
of India, P. W. Department,
No. 820 dated 1st December 1896.

Under instructions from my
Board in London I have the
honour to say that a communication
from the Government of Madras
to myself intimates that the
Government of Madras desires to
see the extension of the line to
Ootacamund put in hand as
soon as possible. A fresh survey
and estimate is about to be made
for this (a distance of about 12
miles) and it is expected that
this will shortly be before the Board.
The Board is fully sensible
of the importance of starting
the extension to Ootacamund
before it is found necessary to
discharge the skilled staff and
labor now employed on the line
to

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to

to Coonor. The Board would be glad to know in the event of its being desired to have this extension put in hand at once, whether the Government of India would be prepared to recommend the Secretary of State to give the Company some assistance in raising the required Capital, which probably would be about 18 lakhs and if so of what nature in the form of a subsidy or in the form of a guarantee of interest.

1. H.E. the Governor. a.lisc.
2. Hon: Mr. Bliss
3. Hon: Mr. Grose.

Flag F

see para 22.

I understood that the financial assistance asked for comes to a guarantee of 4 1/2 per annum. Is not this too high in the present state of the money market?

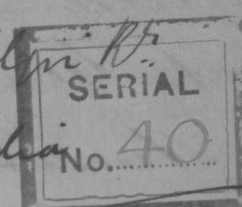
A.4.11 11.12.96

CR. will you please note on this
H.H. 14/12

X also in terms of para 3 & 6 regarding loan of land free of rent, as it is feared that would be willing to accept the extension in the way also.

in H.E. 9/12 14/12

Letter from the Agent and Chief Engineer Nilgiri R.R. to the Govt. of India



The assistance from the Nilgiri R.R. is contained in para 26 of the contract put up. The Govt. of India see State agrees to pay half yearly such a sum as will bring up the gross earnings to 2 lakhs. The capital being 25 lakhs this is equivalent to bringing up the gross earnings to 8% per ann. or assuming working expenses at 50% to paying the difference amount of which the net earnings fall short of 4% on the Capital. The letter may be forwarded to the Govt. of India with the remarks that this Govt. would be glad to see the extension put in hand as soon as possible and recommends that the financial assistance asked for may be given in the terms of para 26 of the existing contract.

H.H. 14/12

H. E. the Governor

with ref to note of H. E. d. 11/11/96
Please see note of Major Walker R.

opposite in which the financial
aspect is more clearly expressed.
my intention in the previous

note was to recommend that
the assistance given should be
of the same nature as that

given in para 26 of the Nilgiri
Contract. i.e. a guarantee of
a minimum gross earnings.

It does not seem feasible to
suggest any definite sum, because
until the statistics which we

have called for from the Rev. Bd.
(vide G.O. No. 607 and memorandum
No. 4381 under) we have no idea

what the traffic may be expected.
the recommendation was therefore
purposely made in general

terms: but perhaps in drafting
to India it would be better to
add that traffic statistics are being

collected and will be forwarded
later: with them to guide them
India will be able to specify a

definite sum when the agreement
is finally drawn out

The draft may be prepared as proposed.

H. H.
20.12.96

H. E.
17.12.96

E. R.

SERIAL
No. 4

The C. in this case have not asked for a guarantee of
4% interest on the additional Capital to be raised by the
Bottamamund extension, nor for a guarantee of gross earnings
equivalent to that interest. They have merely asked us for
some financial assistance, leaving it entirely to you to

name the nature & extent of the assistance they are prepared to give

The Madras Govt. also, I understand from the draft
put up, merely make a general recommendation that the
assistance to be rendered should be in the same form as
in the previous case, that is a guarantee of a minimum
gross earnings. No recommendation is made as to the
figure at which this minimum gross earnings should be
put, and I understand that this is left entirely to the
Govt. of India to decide.

Under the original Contract, the guaranteed gross earnings
of Rs. 1,00,000 per half year would, with working expenses at 50%
have given a return of about 4% per annum on the Capital
of Rs. 25,00,000, but it will be seen that under the agreement
with the New Company, only the same gross earnings of Rs. 1,00,000
are guaranteed, while the Capital has been raised to Rs. 35,00,000.

Thus, with exchange say at 10-30 & working expenses as before
at 50%, would give a return of about 2 1/2% only on the
new Capital.

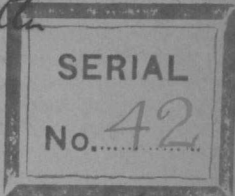
Of the figure at which the gross earnings of the whole line to
Bottamamund were to be guaranteed, gave a return of 4% to the
C. on their Capital, no doubt this would be too high in the present
state of the market, but I do not understand that in this draft
the Madras Govt. is making any such recommendation

Examiner, G. S. Railway

No. 32A, dated 4.1.97

18/2

Works Calcutta



Sir,

I am directed to forward a letter from the Agent and Chief Engineer Nilgiri R.R. No. 820d 1/12/96 and to say that this Govt. denies to see the proposed Extension of the Nilgiri R.R. to Pottacamund put in hand at an early date.

2. It is recommended that assistance should be given to the Company in raising order to enable them to raise the required Capital, and that this assistance should be of the same nature as that given in para 26 of the Contract between the Nilgiri R.R. and the S. N. S. Co.
3. Statistics of traffic are being collected and will be forwarded when later. Pending their receipt H.E. the Governor is not able to re-commence any definite sum as a subsidy.

Documents accompanying:-
Letter from the Agent
& Chief Engineer S.R. Ry

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Bf.

No 3. A dated 4.1.97