

Public Works (1897) Department.



G.O., No. 417 R

DATED 25 June 1897

[Despatch Abstract.]

Nilgiri Railway: Govt of India letter stating that they are unable to entertain any proposal for the construction & financing of the proposed extension of the — from Coonoor to Ottacamund which involves financial assistance from the State upon terms more favourable than those offered for the construction of feeder lines, under which the maximum guarantee in rupees is at the rate of 3 per cent and that if the Nilgiri Railway Company are prepared to submit an amended proposal before the meeting of the next Conference it will be placed before the Conference for consideration.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
—	3 R	—	4-1-97.				
—	140 R	—	10-3-97.				
—	205 R	—	25-3-97				
—	279 R	—	23-4-97				

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
—	504 R	—	27-7-97				
—	245-46 R	—	12-2-98				

PUBLIC WORKS DEPARTMENT.

NOTIFICATION.

Ootacamund, April 25, 1896.

No. 6.—The following Public Works Department Notifications, published in Part I, pages 280 to 290 of the *Gazette of India*, dated 18th April 1896, are republished :—

Simla, the 17th April 1896.

No. 187.—The following Resolution by the Government of India, detailing the terms on which the Government are prepared to consider offers for the construction by the agency of private companies of branch lines forming feeders either to State lines worked by the State or to railways worked by companies, is hereby published for general information :—

No. 514 R.C., dated Simla, the 17th April 1896.

RESOLUTION—By the Government of India, Public Works Department.

Terms on which the Government of India are prepared to consider offers for the construction by the agency of private companies of branch lines forming feeders either to State lines worked by the State or to railways worked by companies.

Read—
Public Works Department Resolution No. 924 R.C., dated 15th September 1893.
Also Public Works Department Resolution, dated 29th March 1895.

OBSERVATIONS.—Many of the applications made under the above Resolutions show that the terms for the construction of branch or feeder lines of railway have not been fully understood.

The Government of India have accordingly resolved to cancel the previous Resolutions above quoted upon this subject and to issue a fresh Resolution embodying a summary of the concessions which (the previous assent of any Railway Company concerned having been first obtained) they are now prepared to give for the construction of branch or feeder railways; such concessions being usually confined to lines not exceeding 100 miles in length.

2. It should be clearly understood that these concessions are not applicable to the larger or more important railways or to mountain branches, for which separate negotiations are in all cases necessary.

RESOLUTION.—Branch lines forming feeders, whether to State lines worked by the State or to railways worked by companies, will ordinarily be made by the main line administrations, who shall have a prior right to construct them.

The Government of India will from time to time publish a list of branch lines for the construction of which they are prepared to receive tenders.

They will consider and dispose of any application for the inclusion in the said list of any other line which can properly be described as a branch or feeder line, and which does not, except in special circumstances, exceed 100 miles in length.

2. Proposals for the construction of branch lines under this Resolution must conform to the following terms and conditions :—

- Applicants must satisfy the Government that they are in a position to command substantial financial support.
- The gauge to be adopted must be approved by the Government in each case.

- (iii) The proposed railway shall be subject to the provisions of all Acts of the Legislature applicable to Indian railways.
- (iv) The proposed railway shall be built in accordance with the fixed and moving dimensions for the time being prescribed by the Governor-General in Council, and on plans and estimates that have been approved by that authority. The route of the line, the situation of stations, and other similar details shall be subject to approval by the Government.
- (v) The line, while under construction, shall be inspected when and so often as an inspecting officer appointed for that purpose by the Government may consider desirable with a view to ensure the construction of the line up to the standard agreed upon.
- (vi) Inasmuch as these railways are chiefly required for the development of country hitherto deficient in means of communication, and the anticipated profits may not therefore at once be fully realised, the Government of India are prepared to give financial assistance as set forth below. Proposals for financial concessions may be made in one or other of the following alternative forms:—

(a) It may be stipulated that after the opening of the railway for traffic the Government shall guarantee out of the revenues of India a fixed yearly minimum dividend in rupees on the actual expenditure charged in the capital account of the branch railway company as entered in rupees in the company's books in India with such share of the surplus net profits as may be agreed upon. The minimum dividend to be guaranteed in each particular case will depend upon consideration of the circumstances, but for the present no offer will be entertained that requires a guarantee exceeding 3 per cent.; or

(b) It may be provided that a payment be made to the branch company by the main line to the extent necessary, together with the branch company's share of branch earnings [see section (6) of paragraph 3] to give the branch company a dividend of 3½ per cent. per annum on the actual expenditure charged in the capital account of the branch railway company as entered in rupees in the company's books in India; provided always that the payment so made to the branch company shall in no case exceed the net earnings of the main line from traffic interchanged with the branch. This rebate will be granted from the first earnings of revenue by the branch, such payment being calculated at the close of the year, payments on account, however, subject to adjustment, being permissible at the close of the first-half of each year. The net earnings of the main line from traffic interchanged with the branch are assumed to bear the same proportion to the gross earnings of the main line from such traffic as the net earnings of the whole system including the branch bear to the gross earnings thereof. If the net earnings of the branch line equal or exceed 3½ per cent. on the actual expenditure as above, the whole of such earnings will go to the branch company.

In either of the above cases (a) or (b) if the capital is raised in sterling, the capital to be entered in rupees in the company's books in India shall be the actual amount realised in rupees from time to time by the several remittances of funds to provide for expenditure in India, together with the sterling outlay from time to time in England converted into rupees at the average rate of exchange obtained by the Secretary of State for his remittances during the half-year preceding that in which the outlay shall have been incurred, and the capital expenditure in rupees on which the interest is from time to time to be calculated for the purposes of the guarantee or rebate, as the case may be, shall be the total outlay whether in India or England up to any such time as thereto charged.

(vii) The general character of the supervision and control that will be exercised by the Government over the branch railway, apart from the provisions of the Railways Acts and the preceding provisions of this Resolution, shall be as follows:—

(a) No capital expenditure by the branch railway company will be allowed as between the Secretary of State and the company unless the prior sanction of the Secretary of State shall have been obtained. The company shall have no power to increase its share or stock capital without the sanction of the Secretary of State or to borrow money except within a fixed limit and on specified conditions.

(b) The branch railway company, if required, shall keep capital accounts and statistics in forms approved by the Secretary of State; and shall render, free of cost, all accounts and statistics required by the Government. The accounts and books will be subject to audit on behalf of Government.

(viii) Funds for the execution of new works, properly chargeable to capital, found necessary after the branch railway has been opened to public traffic shall be provided by the branch railway company. Such works and their cost shall be agreed upon between the branch railway company and the main line administration before they are put in hand. In the event of any difference of opinion arising between the branch railway company and the main line administration as to the necessity for and the cost of any new work, the matter shall be referred to the Director-General of Railways as arbitrator, and his decision shall be final.

(ix) The rates and arrangements in force on State railways in the matter of services rendered to all departments of the State shall apply.

3. The following are the principal additional concessions admissible for branch or feeder railways for the construction of which tenders may be invited:—

(1) The Secretary of State for India in Council, or the Government of India, respectively, will permit the charge of interest at a rate to be agreed upon in each case, during construction to the capital account of the railway under the terms of the Indian Railways Act of 1894 (57 and 58 Vict., Chapter 12), or the Indian Railway Companies Act X of 1895.

(2) The land required for the construction of the branch railway will be provided free of cost. Such grant shall not include land required for quarrying, ballast, brickfields and kindred purposes.

(3) Electric telegraphs and telegraphic appliances will be supplied and maintained by the Government of India at the usual charges for such works.

(4) The results of existing surveys will be made available free of charge. When desired, fresh surveys will be made by the Public Works Department of the Government of India of any branch railway on the applicants depositing the estimated cost thereof in a Government Treasury, on the understanding that no preferential claim to a concession is thereby established. If permission be eventually given for the construction of the line, the actual cost of all such surveys, as well as of those made at the cost of Government, may be included in the capital cost of the railway. No responsibility will be accepted by Government for the accuracy of any survey, plan, estimate or other information supplied.

(5) The branch railway may be constructed by the main line administration, and will be maintained and worked by that administration during the full currency of the contract to be entered into for the purpose, at a fixed ratio of expenses to earnings in each half-year. The ratio will, when the branch railway is of the same gauge as that of the working railway, usually be that obtaining on the whole system as from time to time existing including the branch railway, but will not exceed 50 per cent. of the gross earnings of the branch from all sources, and will be inclusive of charges for the use of the main line rolling-stock.

(6) Such expenses on account of the Board of Direction of the Branch Line Railway Company as may be incurred with the sanction of the Secretary of State may be charged—

(a) during construction to the Capital Account of the Branch Line Company;

(b) after opening, and until the minimum dividend under paragraph 2 (vi) (a) or (b) is received by the Branch Line Company, as part of the working expenses to be met out of the stipulated percentage of the earnings of the branch taken by the working railway;

(c) and thereafter out of the general receipts of the Branch Line Company.

(7) Railway materials for the branch railway will be carried over State lines at the special rates prescribed for such materials belonging to State railways.

4. The Government of India reserve the right to purchase all such branch railways at the expiry of 21 years, or at subsequent intervals of 10 years on 12 months' notice, the purchase price being 25 times the yearly average net earnings not including rebate payments, of the 3 years preceding the purchase, with a maximum price of 120 and a minimum of 100 per cent. of cost price on a rupee basis.

5. The Government also reserve—

(i) The right to fix and vary from time to time the classification of goods, and maximum and minimum rates for each class of goods, as well as of passengers; and

(ii) a general control in respect to the number and timing of trains.

6. Applications for concessions to construct branch railways under the terms of this Resolution should be submitted, in the form prescribed by Memorandum A, hereto attached, to the address of the Secretary to the Government of India, Public Works Department.

7. Applications for fresh surveys to be carried out on the terms detailed in condition 3 (4) above should be submitted in the manner prescribed by Memorandum B, hereto attached, to the address of the Secretary to the Government of India, Public Works Department.

Enclosure No. 1 (with Form A and Appendices A, B and C) to Government of India Resolution No. 514 R.C. of 1896.

MEMORANDUM A.

FOR THE GUIDANCE OF PERSONS OR SYNDICATES DESIROUS OF SUBMITTING PROPOSALS FOR THE CONSTRUCTION OF BRANCH RAILWAYS IN INDIA FORMING FEEDERS EITHER TO STATE LINES WORKED BY THE STATE OR TO RAILWAYS WORKED BY COMPANIES.

1. All applications for leave to construct a branch or feeder railway in any part of British India are to be addressed to the Secretary to the Government of India, Public Works Department.

2. All such applications shall be printed, and shall be drawn up, as far as may be in Form A attached hereto, and shall specify—

(a) the company, person, or syndicate by whom the application is preferred; the proposed amount of capital, the number of shares, and the amount of each share;

(b) all the termini, together with the names of all the principal towns from, through, into, or near which the railway is intended to be constructed, as well as the names of each civil division and district to be traversed by the proposed alignment;

(c) the length, so far as known, of the proposed railway;

(d) the gauge, the weight of rails, etc.;

(e) the motive power to be employed;

(f) the maximum tolls, rates, and fares proposed to be charged on the projected railway;

(g) the proposals for working the railway when constructed; and if any agreement is under contemplation, or has been provisionally arranged with any existing Railway Administration under which the proposed line, when constructed, is to be leased out for working by such Railway Administration, the exact nature and terms of such agreement;

(h) any further information that may be required to enable Government to thoroughly understand the scope of the proposals.

3. Every such application shall be accompanied by a map to a scale of one mile to one inch, with the line of the proposed railway delineated thereon, so as to show its general course and direction, and also by an estimate as correct as may be of the works proposed to be authorised.

4. When the applicants draw up their own detailed plans and estimates, these documents are invariably to be prepared in strict accordance with the Rules for the preparation of railway projects issued under the authority of the Government of India, of which copies may be obtained on payment from the Superintendent of Government Printing, Calcutta.

5. Lists will be published from time to time of the branch railways forming feeders, whether to State lines worked by the State or to railways worked by companies, for the construction of which the Government of India are prepared to receive tenders. Copies of such lists can be obtained on application addressed to the Secretary to the Government of India, Public Works Department.

6. Upon written application to the Director-General of Railways, permission will also be accorded to inspect, at all reasonable hours, the detailed plans, sections, and estimates at the disposal of Government in regard to any particular route already surveyed, provided that they relate to branch railways the construction of which the Government is prepared to entrust to companies; and copies of such plans, sections, and estimates will be furnished on payment of the cost of copying.

7. But in regard to all such information, statistics, plans, sections, or estimates, which may be furnished, it is to be recognised that the information thus offered to any person interested in the matter is simply the best information of the kind at the disposal of Government, and that Government cannot accept any responsibility whatever in regard to the accuracy of any of the documents.

FORM A.

To accompany all applications for leave to construct a branch or feeder railway in any part of British India.

Nature of particulars to be specified.		Particulars.
1	The name of the Company, person, or persons by whom the application is preferred; the proposed amount of capital, the number of shares, and the amount of each share.	
2	The termini, together with the names of all the principal towns from, in, through, or into, or near which the railway is intended to be constructed.	Reference to an Appendix (vide Appendix A) may be here given if necessary.
3	The length, as far as known, of the proposed railway.	
4	The gauge proposed and weight of rails, etc.	
5	The motive power to be employed.	
6	The maximum tolls, rates, and fares intended to be charged on the proposed railway.	Reference to an Appendix (vide Appendix B) may be here given if necessary.
7	Details of any agreement which may have been provisionally arranged, or which it is desired to enter into, under which the proposed line, when constructed, is to be leased out for working to any existing Railway Administration.	Reference to an Appendix (vide Appendix C) may be here given if necessary.
8	Any further information that may be required to enable the Government of India to thoroughly understand the scope of the proposals.	

APPENDIX A.

Alignment of proposed branch railway.

From _____ to _____

Principal towns and districts or provinces through which the projected railway will pass.

Towns.	Districts or Provinces.

APPENDIX B.

Schedule of Maximum and Minimum rates and fares intended to be charged on the proposed branch railway.

	Maximum. Pies per mile.	Minimum. Pies per mile.
Passenger Fares—		
1st class .. .. .	.. .. .	.. .. .
2nd class .. .. .	.. .. .	.. .. .
Intermediate class .. .. .	.. .. .	.. .. .
3rd or lowest class .. .. .	.. .. .	.. .. .
	Maximum. Pies per maund per mile.	Minimum. Pies per maund per mile.
Luggage .. .. .	.. .. .	.. .. .
	Maximum. Pies per mile.	Minimum. Pies per mile.
Carriages—		
Single carriage .. .. .	.. .. .	.. .. .
	Maximum. Pies per truck.	Minimum. Pies per truck.
Two or more carriages on one truck .. .. .	.. .. .	.. .. .
	Maximum. Pies per mile.	Minimum. Pies per mile.
Horses—		
Single horse .. .. .	.. .. .	.. .. .
	Maximum. Pies per 50 miles or portion thereof.	Minimum. Pies per 50 miles or portion thereof.
Dogs—		
Each .. .. .	.. .. .	.. .. .
	First 100 miles. Annas.	Every additional 100 miles. Annas.
Parcels—		
Not exceeding 5 seers or 1 cubic foot .. .. .	.. .. .	.. .. .
" " 10 " 2 cubic feet .. .. .	.. .. .	.. .. .
" " 20 " 4 " .. .. .	.. .. .	.. .. .
" " 30 " 6 " .. .. .	.. .. .	.. .. .
" " 40 " 8 " .. .. .	.. .. .	.. .. .
For every additional 10 seers or 2 cubic feet, or portion of 10 seers or 2 cubic feet .. .. .	.. .. .	.. .. .
	Maximum. Pies per maund per mile.	Minimum. Pies per maund per mile.
Goods rates—		
5th class .. .. .	.. .. .	.. .. .
4th " .. .. .	.. .. .	.. .. .
3rd " .. .. .	.. .. .	.. .. .
2nd " .. .. .	.. .. .	.. .. .
1st " .. .. .	.. .. .	.. .. .
Coal, edible grain, and other low-priced staples to be carried at special rates .. .. .	.. .. .	.. .. .

APPENDIX C.

Working of proposed branch railway.

No agreement has yet been arranged with any existing Railway Administration under which the projected branch railway is to be worked; but, when completed, it is proposed to offer the working to the _____ Railway Company on the following terms:

- (i) _____
- (ii) _____
- (iii), etc. _____

6

Or

It has been provisionally arranged with the _____ Railway Company to work the projected branch railway, when completed, on the following terms:

- (i) _____

- (ii) _____

- (iii), etc. _____

Enclosure No. 11 to Government of India Resolution No. 514 R. C. of 1896.

MEMORANDUM B.

FOR THE GUIDANCE OF PERSONS OR SYNDICATES DESIROUS OF HAVING SURVEYS FOR BRANCH OR FEEDER LINES OF RAILWAY IN INDIA CARRIED OUT AT THEIR EXPENSE BY THE PUBLIC WORKS DEPARTMENT.

1. All applications for the survey of proposed branch or feeder railway routes in any part of British India are to be addressed to the Secretary to the Government of India, Public Works Department.

2. All such applications shall specify—

- the company, person, or syndicate by whom the application is preferred;
- all the termini, together with the names of all the principal towns from, through, into, or near which the survey is intended to be carried, as well as the names of each civil division and district to be traversed by the proposed alignment;
- the length, so far as known, of the proposed railway;
- the gauge and the motive power to be employed;
- the intentions of the applicants as to the construction and working of the railway. If it is intended that the working shall be leased to any existing Railway Administration, the nature of the contemplated agreement shall be specified.

3. Every such application shall be accompanied by a map to a scale of one mile to one inch, with the line of the proposed survey delineated thereon, so as to show its general course and direction.

4. If the detailed plans and estimates are submitted to Government, these documents are invariably to be prepared in strict accordance with the rules for the preparation of railway projects issued under the authority of the Government of India, of which copies may be obtained on payment from the Superintendent of Government Printing, Calcutta.

5. Upon written application to the Director-General of Railways permission will also be accorded to inspect at all reasonable hours the detailed plans, sections, and estimates at the disposal of Government in regard to any particular route already surveyed, provided that they relate to branch or feeder railways the construction of which the Government is prepared to entrust to companies; and copies of such plans, sections, and estimates will be furnished on payment of the cost of copying.

6. But in regard to all such information, statistics, plans, sections, or estimates, which may be furnished, it is to be recognised that the information thus offered to any person interested in the matter is simply the best information of the kind at the disposal of Government, and that Government cannot accept any responsibility whatever in regard to the accuracy of any of the documents.

C. W. HODSON,

Offg. Joint Secy. to Govt., P.W.D., Railway Branch.

Public Works (1897) Department.

CURRENT No. 5589

Canabod

Order to be circulated to
 H. S. The Governor
 The Hon. Mr. John C. I. S.
 The Hon. Mr. John C. I. S.

From Govt. of India

The work proposed by the M. S. S. should, I think, be
 approved. A. 9. 13. 6. 97

No. 912 R C

I have sent a copy to the Agent Nilgiri
 B. G. at once, & to give him time, perhaps, to get
 out some sort of a project before August. Otherwise
 the matter may be hung up for a year.

H. S. & Hon. Mr. John C. I. S. wish to see.
 I cannot think of anything that we can,
 with propriety, do to forward matters. It
 would not be wise to suggest to the Agent
 that he should hurry up. We must let him
 appear to be more anxious for the line than
 we are.

Dated 3rd June 1897.

Received 9. 6. 97

Enclosures

Spare copies

SUBJECT.

Extension from Coonoor to
 Ootacamund.

Orders on the proposals
 for the construction and
 financing of the _____

F. S.
 File 7/11
 23/6/97 11/6/97

42-09/108
 11.6.97
 11.6.97
 11.6.97

BACK PAPERS.

FURTHER PAPERS.

No. 912 R.C.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY CONSTRUCTION.

To

The Joint Secretary to the Government of Madras,
Public Works Department, Railway Branch.

Simla, the 3rd June 1897.

Sir,

I am directed to acknowledge the receipt of your letter No. 279 R., dated 23rd April 1897, forwarding, with an expression of the views of the Government of Madras, a copy of a letter from the Agent and Chief Engineer, Nilgiri Railway Company, enclosing proposals by his Board of Directors for the construction and financing of the proposed extension from Coonoor to Ootacamund.

2. It is observed that these proposals contemplate, amongst other concessions, a Government Guarantee of $3\frac{1}{2}$ per cent per annum on the rupee value of the whole of the proposed Capital, approximately estimated at £ 125,000.

3. In reply I am to say that the Government of India are unable to entertain, or even consider, any proposals which involve financial assistance from the State upon terms more favourable than those offered in Government of India Resolution No. 514 R.C., dated 17th April 1896 for the construction of branch lines forming feeders, under which the maximum guarantee in rupees is at the rate of 3 per cent.

4. I am to add however that if the Nilgiri Railway Company are prepared to submit an amended proposal, revised in the light of the foregoing remarks and supported by proper estimates of cost of construction and of traffic earnings; and if such proposal is received by the Government of India before the meeting of the next Conference (about August

next

next), it will be placed before the Conference for consideration; but it is to be understood that the question as to whether financial assistance shall be given by the Government of India and, if given, the form such assistance shall take remains an open one.

I have the honour to be,

Sir,

Your most obedient servant.

H. B. Bisset

Colonel, R.E.,
Secretary.

Documents accompanying :-

Nil.

Q.W.

EM

SERIAL

It seems sufficiently clear from para 4 of their Serial 63 and para 4 of the letter under ref. that India will do nothing in the matter until a full survey and project has been sent in supported by traffic statistics. India has got sanction to survey but no money to do with and very little time. ~~Thereby~~ ^{Thus} India's letter must be communicated to him at once and we might suggest that he should write to his Board that India refuses to consider the 3% proposal but will consider a proposal on somewhat better terms if supported by estimates based on actual survey and ask for the 15,000/- for survey. If he got a favourable reply at once it would perhaps be possible to get the project in time for the August conference: we could tell India that it was under preparation & might be a little late.

J.H.
11/6/17

Sp. 417. Dated 25.6.97
DEPARTMENT
Ry Branch

PROCEEDINGS OF THE MADRAS GOVERNMENT.



READ the following

Letter from the Govt. of }
India P. W. Deptt. } H.E. No. 912 R.C. of 3rd June 1897

Communicated to
the Agent & Chief Engineer
Sri Ry. for information with
reference to correspondence
ending with letter No. 215D of
14th May 1897 and for communi-
cation to his Board of Directors
for such action as they may
think necessary.

FMS
JRS R
24/6/97

To

The Agent & Chief Eng. Sri. Ry. Deptt.
25/6

Bf
No 417. Dated 25/6/97