Public Works (1898) Department.

RAILWAY. BRANCH.

G.O., No. 1275 Ry.

DATED 17th October 1898.

100

[Despatch Abstract.]

Surplus profits, Madras Railway

Authorising the Accountant-General, Madras, to pay to the Agent & Manager, the sum of Rs96,688-2-6 being the —— less income-Tax for the half-year ended the 30th June 1898, also Rs 11,675-10-0 being the additional Contribution to the Provident Institution for the same period.

BACK PAPERS.

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

FURTHER PAPERS.

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

RAILWAY.

Government (1898) of Madras.

PUBLIC WORKS.

Recd. } 1898. *Enclosures*
Regd. } *Spare copies*

G.O., No. 1275 Ry., 17th October 1898.

OCTOBER.

Surplus Profits, Madras Railway

Authorizing the Accountant-General, Madras, to pay to the Agent and Manager the sum of Rs. 96,688-2-6, being the — less income-tax for the half-year ended the 30th June 1898; also Rs. 11,675-10-0, being the additional contribution to the Provident Institution for the same period.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following papers :—

From—The Agent and Manager, Madras Railway Company.
To—The Consulting Engineer for Railways, Madras.
Dated—Madras, 6th September 1898, No. 10390/848.

From—The Agent and Manager, Madras Railway Company.
To—The Consulting Engineer for Railways, Madras.
Dated—Madras, 19th September 1898, No. 10390/897.

From—The Agent and Manager, Madras Railway Company.
To—The Consulting Engineer for Railways, Madras.
Dated—Madras, 30th September 1898, No. ——/936.

ORDER—No. 1275 Ry., dated 17th October 1898.

The Accountant-General is authorized to pay to the Agent and Manager, Madras Railway, the sum of Rs. 96,688-2-6, being the surplus profits, viz., Rs. 99,273-6-3, less income tax at 5 pies per rupee, due to the Company for the half-year ended the 30th June 1898.

2. The Accountant-General is further authorized to pay the Agent and Manager Rs. 11,675-10-0, which represents the additional contribution to the Provident Institution for the same period.

(True Extract.)

FRANCIS J. E. SPRING,
Joint Secretary.

To the Accountant-General, Madras.
„ Agent and Manager, Madras Railway.
„ Examiner of Railway Accounts, Madras.
„ Consulting Engineer for Railways.

Exd. T. K. Narayana Aiyangar.

RAILWAY.

Government (1897) of Madras.

PUBLIC WORKS.

Recd. } 1897. *Enclosures*
Regd. } *Spare copies*

G.O., No. 984 R., 15th November 1897.

NOVEMBER.

Calicut-Cannanore Railway

Ordered that a copy of an estimate, amounting to Rs. 3,52,585, of probable expenditure on the construction of the — for the three months ending the 31st March 1898, be forwarded to the Government of India.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following papers :—

Telegram from the Officiating Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, to the Secretary to the Government of India, Public Works Department, dated Madras, 14th April 1897, No. 139 D.

Agent, Madras Railway, has received telegram from Board that they have accepted proposed terms for Calicut-Cannanore.

It may be convenient to you to learn early of this in view of coming Conference.

From the Officiating Deputy Secretary to the Government of India, Public Works Department (Railway Construction), to the Officiating Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Simla, 19th June 1897, No. 1046 R.C.

(1) From the Government of India to the Secretary of State, No. 3 Railway, dated 6th January 1897.
(2) From the Secretary of State, No. 42 Railway, dated 6th May 1897, and enclosures.

With reference to your telegram, No. 139 D., dated 14th April 1 97, I am directed to forward, for information, a copy of the despatches marginally noted on the subject of the construction of the Calicut-Cannanore branch of the Madras Railway, which has been agreed to by the Madras Railway Company and approved by the Secretary of State.

2. With a view to the location and commencement of work early next cold weather and the necessary allotment of funds, I am to request that the Government of India may be furnished at an early date with an estimate of the cost of final location and of expenditure on construction that may probably be undertaken during the current financial year 1897–98.

3. I am to add that this estimate is required for financial reasons, and that no work should be actually started till the sanction of the Government of India has been given and funds allotted.

Enclosures.

Despatch from the Government of India, Public Works Department (Railway Construction), to the Right Hon'ble Her Majesty's Secretary of State for India, dated Calcutta, 6th January 1897, No. 3 Railway.

We have the honour to acknowledge the receipt of your Lordship's letter, No. 54 Railway, dated 2nd July 1896, asking to be placed in possession of our views as to the agency by which the undernoted railway projects can best be executed, viz. :—

Calicut-Cannanore. | Shoranur-Cochin. | Tinnevelly-Quilon.

2. In reply, we would observe that we are prepared to recommend for sanction the construction of the Calicut-Cannanore line by the Madras Railway Company, provided they accept the terms we now propose as detailed below. The other projects mentioned in your Lordship's despatch are being considered separately, and our views regarding them will be communicated later.

Public Works Department Proceedings, Railway Construction, December 1895, Nos. 336–370, Part A.

3. The estimates for the Calicut-Cannanore extension are recorded in our proceedings noted in the margin. It will be seen that as originally prepared they amounted to Rs. 1,06,43,767, giving a mileage rate of Rs. 1,80,310 on a length of 59 miles, but were reduced by the Madras Railway authorities to Rs. 90,70,611, or Rs. 1,53,739 per mile, and in reviewing the estimates the Consulting Engineer for Railways Madras, remarks that by adopting grades of 1 in 100 and curves of 1,146 feet radius, and by using in the first instance pyngado sleepers and 75-lb. flat-footed rails in place of cast-iron pot sleepers and bull-headed rails, the estimates should not exceed Rs. 1,05,000 per mile excluding rolling-stock. We do not think, however, that so great a reduction will be found practicable, but we are of opinion that a good, sound railway, sufficiently equipped with rolling-stock, could be constructed for about Rs. 1,25,000 per mile.

4. With a view of arriving at an estimate of the traffic prospects of the proposed line we have taken into consideration the earnings of the Madras Railway on the section between Podanur and Calicut. These for the year 1894 (which, so far as is known, was by no means an exceptional year) amounted to Rs. 8,400 per mile. It is generally accepted that the country between Calicut and Cannanore is much richer and more populous than that between Podanur and Calicut, and a heavier traffic may therefore be expected from it. The Madras Railway authorities are of opinion that the traffic between Calicut and Cannanore will be 50 per cent. in excess of that between Podanur and Calicut, and, if their view is correct, the financial results of constructing the railway may be estimated as follows :—

	RS.
Earnings per mile per year, Podanur-Calicut section	8,400
Add 50 per cent.	4,200
Total ...	12,600
Deduct 50 per cent. for working expenses	6,300
	6,300

a return of 4·1 per cent. on the higher estimate of Rs. 1,53,700 per mile and of over 5·0 per cent. on the lower estimate of Rs. 1,25,000 per mile, without taking into account the increased earnings of the main line owing to the construction of the branch.

On the other hand, if the earnings of the Calicut-Cannanore section were only equal to those of the Podanur-Calicut section, the net earnings of Rs. 4,200 per mile per annum would represent a return of 2·7 per cent. on the higher estimate of Rs. 1,53,700 per mile and of 3·4 per cent. on the lower estimate of Rs. 1,25,000, excluding increase in the earnings of the main line.

There is reason, however, to believe that this increase would be considerable. Assuming that the 59 miles of line from Calicut to Cannanore cost Rs. 80,00,000, and that only four extra wagon loads of traffic run each way per diem between the new extension and Madras and earn on the average three annas per wagon per mile, the extra earnings to the Madras Railway would be 2 × 4 wagons × $\frac{3}{16}$ Rs. × 413 miles × 365 days = Rs. 2,26,000, giving with 50 per cent. working expenses, net earnings to the amount of Rs. 1,13,000, or a return of 1·6 per cent. on the capital of Rs. 80 lakhs expended.

5. With regard to the terms on which the Calicut-Cannanore Railway should be constructed, referred to in paragraph 2 of this letter, we would suggest the following alternatives :—

(*a*) The line to be constructed and worked by the Madras Railway Company on behalf of a subsidiary Company to be got up by them on branch line terms.

(*b*) The line to be constructed out of special debentures to be raised by the Madras Railway Company; to have separate accounts made up at a proper rate of exchange; and any deficit upon its working to be made up, to the extent to which it will go, out of the surplus which becomes divisible upon the original contract between the Government and the Madras Railway Company, and any profits to form part of the surplus profits divisible between Government and the Madras Railway Company.

The branch, if constructed on either of these alternatives, to be considered as part of the Madras Railway so far as concerns the date on which the purchase of the parent line by the Government can be effected.

6. We would explain that the stipulation in alternative (*b*), *viz.*, that the accounts of the branch line should be made up at a proper rate of exchange, is put forward as we are of opinion that transactions in connection with extensions of the old Guaranteed Railways should not be subject to the rates obtaining on those lines under the existing contracts (the rate in the case of the Madras railways is 1*s.* 10*d.* the rupee), but that the outlay to be incurred in England for materials, &c., as well as the sterling payments of interest for entry against the rupee net earnings in calculating the amounts of surplus profits, should be converted at the market rate of exchange. If necessary, a special contract providing for this should be entered into with the companies. The matter has already been mentioned in connection with the extension now under consideration in paragraph 11 of our Railway despatch No. 76, dated 4th November 1896.

7. We request that the Madras Railway Company may be addressed in view to ascertaining which of the alternative methods for constructing the Calicut-Cannanore extension they will accept. In the meanwhile, we solicit your Lordship's provisional sanction to an estimate for the construction of the line amounting to Rs. 1,25,000 per mile for a length of 59 miles or a total of Rupees 73,75,000, and, if this is accorded and the early construction of the branch may be anticipated by the agency of the Madras Railway Company, revised plans and estimates will be prepared as speedily as possible.

Despatch from the Right Hon'ble Her Majesty's Secretary of State, to His Excellency the Right Hon'ble the Governor-General of India in Council, dated India Office, London, 6th May 1897, No. 42 Railway.

Construction by the Madras Railway Company of the Calicut-Cannanore Railway.—On receipt of your Excellency's Railway letter No. 3, dated the 6th January 1897, I caused a letter to be addressed to the Directors of the Madras Railway Company, stating the terms on which I was prepared to entrust to the Company the construction and working of the projected Calicut-Cannanore Railway.

2. These terms, which will be found stated in the correspondence* forwarded herewith, are based upon the conditions specified in paragraph 5 (*b*) of your letter under reply, the principal difference being that any profits that may result from the working of the extension will be divided between Government and the Company in the proportion of four-fifths to the former and one-fifth to the latter, instead of being divided equally under the existing contract as proposed in your letter.

* Letter to Company, dated, 17th March 1897.
,, from ,, ,, 9th April 1897.
,, to ,, ,, 4th May 1897.

3. It will be seen from the correspondence enclosed, that the terms proposed have been accepted by the Directors of the Company, and the necessary contract will accordingly be prepared by this office.

4. The Directors are of opinion that the extension can be constructed and equipped for about Rs. 1,25,000 a mile, giving a total of Rs. 73,75,000 for a length of 59 miles, and this sum may be provisionally accepted as the estimate for the line, pending the preparation of revised plans and estimates.

No. 1.

P.W. 134.

India Office,
17th March 1897.

Sir,

With reference to your letter of the 12th January 1897, I am directed to inform you that the Secretary of State for India has now received the views of the Government of India with regard to the construction of the projected Calicut-Cannanore Railway.

His Lordship is prepared to entrust the construction and working of the railway to the Madras Railway Company on the following terms:—

The extension to be part and parcel of the Company's undertaking, and to be purchased at the same time as the parent line; the extension to be made with moneys raised by the issue of guaranteed debentures, to which, however, and to the interest thereon, the "prescribed" rate of exchange, namely, the average rate obtained for bills drawn on India by the Secretary of State during the preceding half-year, and not the 1*s*. 10*d*. rate, shall apply; a separate capital account and a separate account of gross earnings of the extension to be kept; the net earnings to be the gross earnings less working expenses calculated at the average rate prevailing in each half-year over the entire system from time to time worked by the Madras Railway Company, and any excess of net earnings over the interest chargeable on the capital raised for the extension to be treated as surplus profits, of which one-fifth shall be the share of the Company and four-fifths that of the Government; and that, whenever the interest on the debentures shall not in any half-year be covered by the net earnings of the extension, any deficit shall be met as far as possible out of any surplus profits of the Madras Railway in that or the next succeeding half-year.

The Government of India are of opinion that the line can be constructed and sufficiently equipped with rolling-stock for about Rs. 1,25,000 per mile, or a total of Rs. 73,75,000 for a length of 59 miles, and His Lordship will give provisional sanction to this estimate, pending the preparation of revised plans and estimates, on hearing that the Directors of the Madras Railway Company are prepared to undertake the construction and working of the extension on the terms stated.

I am, &c.,
HORACE WALPOLE.

Julian Byrne, Esq., Secretary,
Madras Railway Company.

No. 2.

Madras Railway Company,
61, New Broad Street, London, E.C.,
9th April 1897.

No. 8028.

Sir,

I am directed to acknowledge the receipt of Sir Horace Walpole's letter, P.W. 134, dated 17th ultimo, and to state in reply that the Board of the Madras Railway Company are prepared to accept the terms upon which the Secretary of State proposes to entrust to this Company the construction and working of the projected Calicut-Cannanore Railway.

These terms are seriatim as follow:—

(1) The extension to be part and parcel of the Madras Railway Company's undertaking.
(2) The requisite capital to be raised by issue of guaranteed debentures.
(3) The rate of exchange applicable to the monies so raised, and to the interest thereon to be for any half-year the average rate obtained by the Secretary of State for bills drawn on India in the preceding half-year.
(4) A separate capital account and separate account of gross earnings to be kept. Working expenses to be calculated at the average rate prevailing in each half-year over the entire system from time to time worked by the Company.
(5) Any excess of net earnings over the interest chargeable on the capital *raised for the extension to be treated as surplus profits, of which one-fifth shall be the share of the Company, and four-fifths that of the Government.
(6) Whenever the interest on the debentures shall not in any half-year be covered by the net earnings of the extension, any deficit shall be met, as far as possible, out of any surplus profits of the Madras Railway in that or in the next succeeding half-year.

* Or expended.(?)

In all other respects, it is understood that the terms or conditions of the new agreement will be those of the contracts by which the present undertaking is governed, *e.g.*, the land required will be provided free of cost to the Company, &c., &c., and that an assurance will be given to the effect that, apart from the special conditions now proposed, the extension will be subject to the existing contracts.

The Board think it probable that this extension can be built and equipped for about Rs. 1,25,000 a mile, and instructions will be sent to their Agent and Manager to prepare, as soon as instructed by the Government, revised plans and estimates framed as economically as is consistent with complete efficiency, with regard both to stability and traffic requirements.

The Board are advised by their Solicitors that they have power, without fresh legislation, to accept terms for the construction of a line of railway under a new agreement with the Secretary of State, which differ from those of the old contract with respect to rate of exchange. They conclude that the necessary form of contract or agreement will be furnished from the India Office.

A resolution of the shareholders authorising the acceptance by the Board of the terms offered by the Secretary of State for the construction and working of the extension will be taken at an Extraordinary General Meeting to be held after the next half-yearly Ordinary Meeting of the Company about the end of May.

I have, &c.,
JULIAN BYRNE,
Secretary.

The Under Secretary of State for India.

No. 3.

P.W. 660.

India Office,
4th May 1897.

Sir,

I am directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 9th April 1897, No. 8208, stating that the Board of the Madras Railway Company are prepared to accept the terms upon which the Secretary of State proposes to entrust to the Company the construction and working of the projected Calicut-Cannanore Railway.

With reference to the third paragraph of your letter, I am to inform you that the Directors are right in assuming that, apart from the special conditions stated in my letter of the 17th March 1897, the proposed extension will be subject to the terms of the existing contracts.

A copy of your letter will be forwarded for the information of the Government of India, and the preparation of the necessary contract will be undertaken by this office.

I am, &c.,
HORACE WALPOLE.

Julian Byrne, Esq., Secretary,
Madras Railway Company.

Read again the following papers :—

G.O., No. 729 R., dated 24th September 1897.

Read the following letter from the Agent and Manager, Madras Railway, to the Consulting Engineer for Railways, Madras, dated 20th September 1897, No. 9075/A.-907 :—

I have the honour to address you with reference to the order by the Government of India quoted in paragraph 2 of your letter No. 2943 of 11th instant, and to inform you that very serious delay and inconvenience will ensue if sanction to commence construction on the Calicut-Cannanore extension is withheld until fresh estimates based upon the revised alignments of certain portions have been submitted. It is further urged that no trustworthy investigation of the alternative alignment suggested north of Tellicherry can be carried out by the limited staff which can only be provided in the allotment of Rs. 15,000 which has been granted.

2. I enclose a copy of a letter from the Acting Chief Engineer in which he fully explains the grounds on which he considers it desirable that the estimates already submitted should be sanctioned, on the understanding that construction should be limited for the present to the portion from Calicut to Mahé only, and that no work should be commenced north of the 37th mile until the results of the survey for the suggested realignment have been submitted to, and approved of by, Government.

3. The permanent staff required for the extension can then be engaged; the investigation referred to above can be conducted simultaneously with the construction of the first 37 miles; and the fresh revised estimates could be submitted when the final alignment has been decided upon.

4. I venture to hope that this request will not be considered unreasonable, and I cannot too strongly support the Acting Chief Engineer's recommendation. As the matter is one of urgency I request that you will be so good as to refer the matter, if necessary, to the Government of India and kindly favour me with a reply by telegraph.

ENCLOSURE.

From the Acting Chief Engineer, Madras Railway, to the Acting Agent and Manager, dated Madras, 18th September 1897, No. 1384 C.

Calicut-Cannanore Extension.—With reference to your endorsement No. 9075 of 13th current on Consulting Engineer's No. 2943, dated 11th idem, I shall feel obliged if you will strongly protest against the orders issued by the Government of India as contained in paragraph 2 of the Consulting Engineer's letter and will apply for permission to be granted for the construction of the Calicut-Cannanore line to be proceeded with at once from Calicut to Mahé, a distance of 37 miles.

2. I desire to point out to you that when the Consulting Engineer for Railways inspected the proposed route of the Cannanore extension he approved of the alignment between Calicut and Mahé, the only alterations suggested being the shifting of the centre line at the 19th mile a few yards east of the position shown on plan in order to acquire suitable land for ballast pits and the introduction of two or three curves near Badagara in lieu of the straight as originally aligned so as to reduce the depths of three cuttings. I may say that from cross sections taken at the time the survey was made I have been able to revise the aligments on the plan at the latter places.

3. I fully concur with the Consulting Engineer in thinking that before any construction work is put in hand north of 37 miles it should be ascertained whether the line proposed by him to run through the neck between the two areas of land owned by the French and thence to Tellicherry is practicable, and I also think that the proposed alterations in alignment north of Tellicherry should be investigated and compared with the original survey.

4. I do not however see any reason for delaying the construction of the first 37 miles of the line until these resurveys of the northern portion of the line are completed, whilst many advantages are to be gained from putting both works in hand at the same time.

5. Under the orders issued by the Government of India, I am, in the first place, greatly hampered in obtaining staff as reliable and efficient Engineers will not take up the survey work for three months with the probable prospect of being thrown out of employment at the end of that period until such time as the revised estimates are sanctioned by Government and precisely the same difficulties apply to the subordinate staff.

6. Secondly, the whole of the working season of 1897-98 will be practically lost and no work of any importance will be commenced before October 1898, a delay of one year, as very little construction work can be carried on in Malabar during the continuance of the south-west monsoon.

7. Thirdly, the indents for permanent-way girders and other English materials and plant cannot be submitted pending the receipt of sanction from the Government of India, and in this connection I desire to call your attention to the fact that the Board in a recent letter has requested that the indents for this extension may be forwarded at once, the existing difficulties in the English labour market compelling contractors to demand considerably more than the usual time for delivery of materials contracted for.

8. Fourthly, until sanction of some description is received the Board cannot take steps to raise the capital required for the line.

9. I therefore suggest that the Government of India should sanction the estimates as already submitted, with the proviso that no construction beyond the 37th mile is to be proceeded with until such time as the resurveys required by the Consulting Engineer for Railways have been made and the alignment north of the 37th mile has been finally approved by Government.

10. With such a sanction I can at once make definite arrangements for the staff required for the line, the indents can be sent Home and the capital raised, the line from Calicut to Mahé can be staked out, and work proceeded with on that length immediately the transfer of lands required has been effected.

11. I shall be glad therefore if you will press Government to at once sanction the Calicut-Cannanore line on the conditions specified above.

Order—No. 729 R., dated 24th September 1897.

The Government of India will be addressed.

(Signed) F. J. E. SPRING,
Offg. Joint Secy. to Govt.,
Railway Branch.

From the Officiating Joint Secretary to the Government of Madras, Public Works Department, (Railway Branch) to the Secretary to the Government of India, Public Works Department, Simla, dated Ootacamund, 24th September 1897, No. 730 R.

In continuation of the correspondence on the subject of the Calicut-Cannanore Railway ending with my letter, No. 698 R., dated the 21st September 1897, I am directed to refer you to this Government's Consulting Engineer's inspection report which was sent to you with my No. 696 R., dated 21st September 1897, and also to the accompanying copy of a letter from the Agent of the Madras Railway Company, No. 9075/A -907, dated the 20th September 1897, enclosing a copy of a letter from his Chief Engineer who strongly urges that the preliminary estimate already submitted of the cost of the line, amounting to Rs. 82 lakhs, may be sanctioned on certain specified conditions.

2. It will be seen from a perusal of the Consulting Engineer's report that very little remains to be done in the way of realignment on the first 37 miles, not more indeed than would in ordinary course be done by the construction Engineers after the receipt of sanction to start work. It will be the business of this Government to scrutinise the proposed realignments on this length, and to ensure compliance with the Government of India's instructions regarding the stiffening of curves and grades if after further survey such should appear to be necessary, a thing very unlikely on this particular mileage. I am therefore directed by His Excellency the Governor in Council to strongly press for permission being given to the Company to make their arrangements on the understanding that the commencement of construction upon this particular section need not be delayed until the completion of the resurvey, realignment and revised estimate of the remainder of the line. This permission would of course

be conditional on the minor realignments referred to as being necessary by the Consulting Engineer being approved in due course by this Government or by the Government of India.

3. The chief arguments in favour of some sort of an estimate being preliminarily sanctioned are: first, that pending such sanction the Company cannot, it is understood, raise the necessary capital; second, that under the present unsettled condition the Company find it impossible to engage suitable staff even for the realignment. The men are not in the Company's service now, and it has been ascertained that they cannot be secured on the very unstable conditions which are all that it is now possible to offer them; and third, that the climate of Malabar is such that a year at least will certainly be lost in the opening of the line unless the Agent can at once secure his staff and get to work on the construction of part of the line and the survey of the remainder.

4. Such being the circumstance I am instructed by His Excellency the Governor in Council to express a hope that the Government of India may see their way to issue such orders as will place the Agent in a position to make early and suitable arrangements.

G.O., No. 912 R., dated 4th November 1897.

Read the following letter from the Officiating Secretary to the Government of India, Public Works Department (Railway Construction), to the Officiating Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Simla, 27th October 1897, No. 1781 R.C. :—

In continuation of the Government of India's telegram No. 1674 R.C., dated 9th October 1897, in which sanction was conveyed to the estimate amounting to Rupees 15,524 for the location of, and preparation of the land plans for, the Calicut-Cannanore branch of the Madras Railway, I am now directed to reply to the proposals submitted with your letter, No. 730 R., dated 24th September 1897, for the commencement of the work of construction on this branch.

2. You point out in that letter that the inspection report by the Consulting Engineer, Madras, submitted with your memorandum, No. 696 R., dated 21st September 1897, shows that very little remains to be done in the way of realignment on the first 37 miles of the line, and that it will be the business of the Government of Madras to scrutinize the proposed realignments on this length and to ensure compliance with the orders of the Government of India regarding the stiffening of curves and grades if after further survey such should appear necessary.

Permission is, therefore, asked to the Madras Railway Company making their arrangements on the understanding that the commencement of construction on this particular section need not be delayed until the completion of the realignment and of the revised estimate of the remainder of the line.

It is added that the chief arguments in favour of some sort of an estimate being preliminarily sanctioned are firstly, that pending such sanction the Company cannot raise the necessary capital; secondly, that under the present unsettled conditions the Company find it impossible to engage a suitable staff; and thirdly, that the climate of Malabar is such that a year will be lost in the opening of the line unless the Agent can at once secure his staff and get to work on the construction of part of the line and the resurvey of the remainder.

3. I am to say that after carefully considering the plans of this branch and the Consulting Engineer's inspection report, the Government of India agree that not much improvement is possible in the first 26 miles, but beyond that large reductions appear possible, especially between miles 26 and 32. This is borne out by paragraph 7 of the Consulting Engineer's inspection report, and also by paragraph 2 of the letter of the Chief Engineer, Madras Railway, No. 1384 C., dated 18th September 1897, to the Agent, the place Badagara mentioned in which is opposite the 29th mile.

Despatch from the Government of India to the Secretary of State, No. 3 Railway, dated 6th January 1897.
Despatch from the Secretary of State to the Government of India, No. 42 Railway, dated 6th May 1897.

4. (*a*) With regard to preliminary sanction to an estimate for this branch, I am to invite attention to the correspondence with the Secretary of State marginally quoted, a copy of which was forwarded under my letter, No. 1046 R.C., dated 19th June 1897.

(*b*) With despatch No. 3 Railway of 1897, the Government of India submitted to the Secretary of State the estimate amounting to Rs. 90,70,611 being at the rate of Rs. 1,53,739 per mile, but at the same time expressed the opinion that by adopting grades of 1 in 100 curves of 1,146 feet radius and by using 75-lb. steel flat-footed rails with wooden sleepers and providing only 15 cubic feet of ballast per foot run, a good, sound railway sufficiently equipped with rolling-stock could be provided for Rs. 73,75,000 being at the rate of Rs. 1,25,000 per mile.

(*c*) The above opinion was communicated to the Board of the Madras Railway Company by the Secretary of State, and the Board agreed that they thought that the branch could be built and equipped for Rs. 1,25,000 per mile and stated that instructions would be sent to the Agent to prepare revised plans and estimates as economically as possible consistent with complete efficiency. The Secretary of State accordingly approved of a sum of Rs. 73,75,000 (being at the rate of Rs. 1,25,000 per mile) being provisionally accepted as the estimate for this branch, pending the preparation of revised plans and estimates.

5. It will thus be seen that any delay in the Company's raising the capital is not due to the want of a preliminary sanction as both the Board and the Secretary of State have provisionally accepted the estimate of Rs. 73,75,000 pending the preparation of a revised estimate on the most economical lines possible consistent with efficiency, but that it is due to the fact that the agreement has not yet been finally signed and executed in England.

6. I am to say, therefore, that the Government of India will be prepared to favourably consider the question of work being put in hand upon the first 26 miles upon which only slight alterations in the alignment are required as soon as the agreement between the Secretary of State and the Company has been completed and the latter have raised the necessary funds and have approved of the commencement of construction. In the meantime I am to request that you will report what funds would be required in the current official year for expenditure in India on the project on the assumption that no delay will occur in carrying out these requirements.

7. The Government of India are, however, unable to agree to work being commenced on the remainder of the line beyond mile 26 until the revised plans and estimates, which have been called for by the Board and the Secretary of State, are ready. It is evident that the alignment near Mahé will require very careful consideration in order to secure the best alignment clear of the French Settlement.

Order—No. 912 R., dated 4th November 1897.

Copy, omitting paragraphs 1, 2 and 4 (*a*), forwarded to the Agent and Manager, Madras Railway, for information and guidance and for early reply to the enquiry made at the end of paragraph 6.

(Signed) F. J. E. SPRING,
Offg. Joint Secy. to Govt.,
Railway Branch.

Read also the following paper:—

From the Agent and Manager, Madras Railway, to the Consulting Engineer for Railways, dated Madras, 11th November 1897, No. 9075/A-1041.

With reference to G.O., No. 912 R. of the 4th instant, I have the honour to forward herewith, for the information of Government, copy of an estimate of probable expenditure on the Calicut-Cannanore extension for the three months ending 31st March 1898. The Company's Chief Engineer explains that the figures given under the various sub-heads are merely approximate, as much depends upon the time the revenue authorities take to hand over the land and on this Company being able to bring together the staff requisite for the construction of the line.

ENCLOSURE.

ESTIMATE of probable expenditure on the Calicut-Cannanore extension for 1897–98.

	RS.
I. Preliminary expenses	10,000
II. Land	1,00,000
III. Earthwork	1,00,000
IV. Bridgework—	
Large bridges for materials	50,000
Minor bridges do.	50,000
VIII. Stations and buildings (staff quarters)	10,000
XII. General charges (Engineering Stores and Audit and Accounts)	32,585
Total ...	3,52,585

MADRAS,
10th November 1897.

(Signed) H. C. WEST,
Chief Engineer.

ORDER—No. 984 R., dated 15th November 1897.

The Government of India will be addressed.

[Here enter No. 985 R., dated 15th November 1897.]

(True Extract.)

(Signed) F. J. E. SPRING,
Offg. Joint Secy. to Govt.,
Railway Branch.

To the Consulting Engineer for Railways.
„ Examiner, Guaranteed Railway Accounts.
„ Agent and Manager, Madras Railway.

Exd. A. F. Eccleston.

RAILWAY.

Government (1898) of Madras.

PUBLIC WORKS.

1275 R

Recd. } 1898. Enclosures
Regd. } Spare copies

G.O., No. 903 Ry., 9th July 1898.

JULY.

Interest due on Debentures issued for the Calicut-Cannanore Railway

Letter from the Secretary of State for India stating that the — for the second-half of 1897 should be charged against surplus profits, Madras Railway, communicated to the Agent and Manager.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following paper :—

From—The Right Honourable the Secretary of State for India.
To—His Excellency the Honourable the Governor in Council, Fort St. George.
Dated—India Office, London, 9th June 1898, No. 1, Railway.

In the letter from your Excellency's Government, No. 4, Railway, dated 8th April 1898, enclosing the accounts of the Madras Railway for the second-half of last year, you ask whether the interest due for the half-year on debentures issued for the Calicut-Cannanore extension should be charged against surplus profits. The answer to this enquiry is in the affirmative, as will probably have been understood from my telegram * of the 4th June, quoted in the margin.

2. I transmit, for the information of your Excellency's Government, a copy of correspondence † that has passed between the Company and this office on the subject.

* Telegram from Secretary of State, to Governor of Madras, dated 4th June 1898.
Pay Agent, Madras Railway Company, Rs. 914, less income-tax, Company's share of surplus profits for half-year ending 31st December last. Despatch follows.

† Letter from Madras Railway Company, dated 29th March 1898.
Letter to Madras Railway Company, dated 3rd May 1898.

Enclosures.

From—The Secretary, Madras Railway.
To—The Under Secretary of State for India, India Office, S.W.
Dated—61, New Broad Street, London, E.C., 29th March 1898, No. 9133.

Calicut-Cannanore Extension.

Adverting to Sir Horace Walpole's letter, P.W. 134, dated 17th March 1897, and to paragraph 6 of the Board's reply of the 9th April 1897, I am directed to inform you that a letter has recently been received from the Agent and Manager at Madras, stating that the Government Examiner has expressed the opinion to Mr. Dunsterville, the Company's Chief Auditor, that interest on the sum of £100,000, raised by the issue of debentures, for the construction of the Calicut-Cannanore extension, will be chargeable against any surplus profits that may accrue from the working of the Madras Railway for the half-year ending 31st December last.

The view of the Chief Auditor, in which the Agent and Manager concurs, is that the sixth paragraph of the terms of agreement, as cited in the Board's letter of the 9th April 1897, accepting the terms proposed, shows that there must be net earnings of the extension before the Company's surplus profits can be affected, and that these will only be chargeable when the extension is in a position to earn revenue, *i.e.*, when the line is opened for traffic.

The interpretation put upon the paragraph in question by the Agent and Manager and Chief Auditor, is entirely in accordance with the understanding arrived at by the Board at the time the proposals of the Secretary of State were under discussion.

The Madras Railway Company, after many years of progressive development of its revenue and improvement of its administration, has brought the net revenue of the railway up to the point where, by a continuance of careful management, the shareholders may expect to receive some small share of surplus profits.

The Board would point out that the removal of this stimulus to good management, just as the shareholders begin to reap the fruit of their labours, could scarcely have been intended by his Lordship, and they venture to submit for his Lordship's consideration that, having regard to all the circumstances of the case, he will agree to special arrangements which will have the effect of throwing upon capital the charge for interest on the cost of this addition to the Company's system—an addition which they would point out has been already surrounded by stringent protective provisions.

I am to add that on the 23rd instant a telegram was received from our Agent and Manager as follows :—

> "Letter two three fifty, paragraph sixteen. Telegraph instructions. Accounts delayed."

On the 25th instant the Board wired the following reply :—

> "Calicut-Cannanore. Board support Dunsterville."

From—Sir HORACE WALPOLE.
To—The Secretary, Madras Railway.
Dated—3rd May 1898, P.W. 653.

I am directed by the Secretary of State for India in Council to acknowledge receipt of your letter, dated 29th March, submitting that interest on the £100,000 debentures issued on account of the Calicut-Cannanore extension should not, during construction, be chargeable against the surplus profits of the Madras Railway.

In reply I am to express to you Lord G. Hamilton's regret that the request of your Board cannot be complied with. The arrangement in question is clearly provided for in the agreement between the Secretary of State and your Company, while further, the Secretary of State is legally precluded from sanctioning any charge to Capital on account of the debenture interest.

Order—No. 903 Ry., dated 9th July 1898.

Communicated to the Agent and Manager, Madras Railway, for information in continuation of G.O., No. 808 Ry., dated 14th June 1898.

(True Extract.)

Francis J. E. Spring,
Joint Secretary.

To the Agent and Manager, Madras Railway.
" Examiner of Railway Accounts, Madras.
" Consulting Engineer for Railways.

Exd. T. K. Narayana Aiyangar.

(A. & M. I.)

No 10390
848

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,

Madras, 6th September 1898

1 Quote

4183
7.9.98

From

The Agent and Manager.
M. R. C.

To

The Consulting Engineer for Railways.
Madras.

SIR,

I have the honour to forward herewith 9 copies each of the Accounts of the Madras Railway, Kolar Gold Fields' Railway and the Madras-Ennore section of the Bezwada-Madras Railway for the half year ending 30th June 1898.

2. I also forward in manuscript the Office and Board's copies of the Revenue account and shall be obliged if you will kindly return them together with 2 printed copies of each, duly counter-signed by yourself and the Examiner of Railway Accounts in time to be despatched to the Board by the mail of the 15th instant.

3.

3. A printed copy of the Kolar Gold Fields' Railway accounts is also forwarded herewith for transmission to the Mysore Government.

I have the honour to be,
Sir,
Your most obedient Servant,

Agent & Manager.

Enclo:
28 Printed copies +
2 manuscript copies.

2

3. A printed copy of the Kolar Gold Fields' Railway accounts is also forwarded herewith for transmission to the Mysore Government.

I have the honour to be,
Sir,
Your most obedient servant,

Agent & Manager.

MADRAS RAILWAY.

From
The Agent and Manager.

To
The Consulting Engineer
for Railways.

Dated

Recd.

No.

Enclo.
12 Printed copies +
2 manuscript copies.

Form No. 33.

300—30-6-98.

EXAMINER,
Regr. No. 457
7 - SEP. 1898
Enclosures
RAILWAY ACCOUNTS, MADRAS.

OFFICE OF THE CONSULTING ENGINEER FOR RAILWAYS,
Madras, 7th September 1898.

No 2524

OFFICE NOTE.

Letter from the Agent & Manager Madras Railway, No $\frac{10390}{848}$, dated 6th September 1898, forwarded to the Examiner of Railway Accounts for favor of remarks.

CWH
7/9/98

for E. R.

Will be initialled by D.A. afterwards

EXAMINER'S REPLY.

E R

The Half yearly Accounts of the Madras Ry are still under check in this Office, the Locomotive Workshop Accts for June last not having yet been rendered in a complete form to enable our examination of the Accounts to be completed.

In the meanwhile it is brought to E. R's notice that in the Surplus Profits Statement Form No XVI, the Guaranteed interest on Calicut Cannanore debentures has again not been charged against Madras Ry Surplus Profits, and a copy of a communication received from the Cr. Chief Auditor on the subject is attached for

G.O. 903 Ry
9/7/98 submitted

For Orders
CWH. 13/9

D.A.R. 12/9/98

Put up Calicut Cannanore Agreement
JKD 16.9.98.

DR.
Please see pages 2 to 5 of G.O. 984 Rly 15.11.97 put up.
17.9.98

E.R's information

G.O. [illegible]

As the Secretary of State decided this point in connection with the previous Half Year Accounts, when the question was specially referred to him, I think we should now insist on the Accounts being prepared in accordance with that decision, & not be content with merely recording a protest at foot of the Statement as was done last half year.

If E R concurs, the copies of the Accounts may be returned to the Agent & Manager with a request that they may be revised in this respect

E W Waller

C R 10/9/98

Copy of letter from the Chief Auditor M. Railway to the Examiner Guaranteed Railway Accounts. Madras dated 9th September 1898 No. A 3/194/4003

In reply to your telephone message of yesterday. I have the honour to state that our Board do not accept the opinion of the Secretary of State as to the construction to be placed upon that portion of the letter of agreement for working the Calicut-Cannanore Extension which deals with deficiencies in the net earnings of that line.

While I am therefore unable to revise the printed accounts in the manner you desire, there will be no objection to your entering a foot note of protest to the statement No. XVI as you did in the previous half year.

(True Copy)

T. Ratnasabhapati
~~for Chief~~ Accountant.
Office of Examiner Ry. A/cs

d/.

Madras
10.9.98.

Form No. 1/A.

Urgent No. 2596

Madras, 19 Septr 1898.

From

THE CONSULTING ENGINEER FOR RAILWAYS,

MADRAS,

Reminders.

To

THE AGENT AND MANAGER, M. RY.

Reply No. ~~897~~ 10390

dated 19/9/98

SIR,

In reply to your letter No. 10390/848. dated the 6th Sept. 98. I have the honour to return the Madras Ry. Capital & Revenue Accounts for the half year ending 30th June 98, for correction in accordance with the R.H. the Secretary of State's decision in the matter of interest on Cabinet Commission debentures, which was communicated to you in G.O. No. 903. Ry. dated 9th July 98.

I have &

FWS.

17/9/98

Encl: 11

This will issue in Madras after C.R. has seen it.

FWS

17/9/98

Seen

19/9/98

Despatched on 19/9/98

(No. I.)
No. 10390 Urgent

897

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,

Madras, 19th September 1898

CONSULTING ENGINEER FOR RAILWAYS
RECEIVED
20 SEP. 1898
MADRAS

R. No. 4389
20.9.98

From

The Agent and Manager.
M. R. C.

To Quote

To

The Consulting Engineer for Railways.
Madras.

Sir,

attached

With reference to your letter No. 2596 of the 19th instant, I have the honour to inform you that my Board on the advice of their Solicitors have not accepted the decision to which you allude in your letter and on the 21st July last they made a further reference to the Secretary of State on the subject. I regret I am therefore unable to make any correction in the Capital and Revenue Accounts in the matter of interest on Calicut-Cannanore debentures. I beg to return the accounts again for signature and would suggest that pending a final decision, the amount considered to be chargeable on account of interest on the debentures be retained by the Government when

when paying over the Company's share of surplus profits.

I have the honour to be,
Sir,
Your most obedient Servant,

Agent + Manager.

C R 20/9/98

MADRAS RAILWAY.

From
The Agent and Manager.

To
The Consulting Engineer
for Railways.

Dated 188

Recd. No.

Form No. 33.

300—30-6-98.

OFFICE OF THE CONSULTING ENGINEER FOR RAILWAYS,

Madras, 20" September 1898.

EXAMINER,
Regr. No. 483
20 SEP 1898
Enclosures
RAILWAY ACCOUNTS, MADRAS.

No 2599

OFFICE NOTE.

Letter from the Agent & Manager Madras Railway, No $\frac{10390}{897}$, dated 19" September 1898, forwarded to the Examiner of Railway Accounts. for favor of remarks.

for E. R.

will be initialled afterwards

EXAMINER'S REPLY.

E. R.

I am still of opinion that we should not countersign the Accounts until they have been prepared in accordance with the Secretary of State decision in the matter of the interest on the Calicut-Cannanore Debentures

This of course will in no way prevent the Board from continuing to address the Secretary of State with a view to, if possible, obtaining a reversal of the decision; but as the Govt. Officers responsible for passing the Accounts the decision is final & binding on us and we cannot consent to its being ignored by countersigning as correct Accounts which have not been prepared in accordance therewith.

C. W. Allen
C R 20/9/98

C.R.

Please see Govt. of India's orders as expressed in their telegram 581-R. dated 26-9-98. Flag K

I have signed in three places in each of the nine copies of the printed Accounts, and once in each of the two copies of manuscript Accounts, and I leave it to you to insert the qualifying paragraph over your and my signatures in every case where it is necessary, as I have not got figures.

I shall be obliged then if the same time you will get the letters dealing with the Accounts despatched from Madras, any Under Secretary who may be on duty signing them. I see that some places are not signed by Agent.

F.R.S.

27/9/98

Accounts signed by me, a qualifying note having been entered on Form No XVI stating that from the sum of Rs 230079-13-11 shown above as surplus profits a sum of Rs 19637-7-11 being interest due for the half year ended 30th June/98 on debentures raised for the Calicut Cannanore Extension, is deducted, and the balance Rs 210,442-6-0 is passed as surplus profits for division between Govt & the Co

E Wallen
CR 29/9/98

The Despatch to the Secretary of State forwarding the Accounts must be signed at Ootacamund, and copies of the Accounts should not be sent to the Board before the Accts are despatched to the S of S

E Wallen
CR 29/9/98

Form No. 7.

TELEGRAM ~~URGENT~~ ~~ORDINARY~~ DEFERRED

FROM
R.

TO
Works
Simla

No. 17 A

Madras Railway Accounts not prepared in accordance with Secretary of State's decision contained in despatch number one June ninth 98 and Agent refuses so to prepare it but suggests that amount in dispute be retained by Govt pending reply to further reference made by their Solicitor's advice. Examiner and I cannot sign even with this proviso without your orders which please Communicate early.

F.R.S.
27/9/98

Despatched on 22/9/98.

Public Works (1898) Department.

Railway

CURRENT No. 1129

Order

From

The Govt. of India

Telegram No. 581

Dated 26th Septr '98.

Received
Registered } 29. 9. 98

Enclosures

Spare copies

SUBJECT.

Capital & Revenue Accounts Mly for 1st half of 1898

Stating that the surplus profits statt in the — may be signed by ER & CR. after making the necessary correction above their signatures the amount that should be deducted on a/c of interest for Cal. Can Debentures.

BACK PAPERS.

No.	Date.

FURTHER PAPERS.

No.	Date.

No. 2687

Code Class. SS INDIAN TELEGRAPHS. Monthly Number. 1851

To (Office) Ootacamund	From (Office) Simla
Words 62/5 · Day. 26 · Hour. 18 · Minute. 32	Official Instructions. Sfd
To (Person) Madras Works Ry	From (Person) Works

Your telegram numbered & dated

581 R stat apple 17 a ~~anteact~~ 22nd instant if agent will not correct the statement of surplus profits the examiner and consulting engineer should make necessary correction by noting above their signatures the amount that should be deducted on account of interest on calicut cannanore debentures and the reduced amount of surplus profits passed by them

AR

Recd. from Recd 1.25 Pm 27.9.98 LN. At Hrs. Mts. by

Sent to LN. At Hrs. Mts. by

Telegraph Master.

OOTACAMUND 27-9-98

64 Word Form.

F.C. 2.

C. G. P.—No. 163 T—13 8 97—6000

Form No. 7.

TELEGRAM ~~URGENT~~ ORDINARY ~~DEFERRED~~

FROM

To

R.

CK

Madras Triplicane

No. 19.A

Madras Railway Accounts despatched signed by me tomorrows mail with Indias orders about insertion of qualifying paragraph over both our signatures, please complete.

Despatched on 27/9/88

Class S INDIAN TELEGRAPHS. Monthly Number. 1960

To (Office) Ootacamund	From (Office) Madras Esplanade

Words	Day	Hour	Minute	Official Instructions
77.9	28	17	40	

To (Person) Consulting Engr for Rys Recd 7.30 PM 28/9/98	From (Person) Govt Examiner

no 32 your no 19
a I have to day
discovered another error in the
madras railway accounts by which
about rupees 7,07 00 have been
short charged on account of
loss by exchange on english
stores thus affecting profits carried
shall I sign accounts leaving
excess to be recovered in
paying companys share of profit
or delay accounts by calling
for revision of surplus profit
statement wire urgent.

Papers with CR.

Recd. from LN At Hrs. Mts. by

Sent to LN. At Hrs. Mts. by

EPA
Telegraph Master.

OOTACAMUND 28-9-98

C. G. P.-No. 681 T-18 9 97-000000.

Reply No. 77-C of 29.9.98
To CR

your 32 yesterday. do whichever is technically correct
I suppose latter course ought to suffice

Despatched on 29/9/98

Code Class. DS. INDIAN TELEGRAPHS. Monthly Number. 2044

To (Office) Ootacamund				From (Office) Madras Triplicane	
Words 53/4	Day. 29.	Hour. 18	Minute. 10.	Official Instructions.	Afd.
To (Person) Consulting Engineer for Railways				From (Person) Govt Examiner	

No. 33 your 77 C. on mistake being pointed out company have voluntarily agreed to send revised surplus profit statement this on receipt will be [illegible] signed with qualifying paragraph regarding Calicut Cannanore interest and will be sent to you as soon as possible -

64 Word Form.

F. C. 2.

File 7/M

30/9/98

Recd. from	LN	Sent to	LN.
At Hrs. Mts. by		At Hrs. Mts. by	Telegraph Master.

OOTACAMUND 29-9-98

G. M. F.—No. 282 T—13 8 97—6000000

Form No. $\frac{1}{A}$.

No. 2687

(No. I.)

No. 936

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,

Madras, 30th September 1898

CONSULTING ENGINEER FOR RAILWAYS
RECEIVED
30 SEP 1898
MADRAS

4540
30.9.98

From

The Agent and Manager. M.R.Co.

To

Quote

The Consulting Engineer for Railways.
Madras.

Sir,

In compliance with the request contained in your letter No. 2687 of this date, I have the honour to return herewith the 9 copies of the Capital and Revenue Accounts of this Railway with my signature duly affixed to the Statement No. IV on page 2.

I have the honour to be
Sir
Your most obedient servant

Agent and Manager.

Form No. $\frac{1}{A}$.

No. 2687

Very urgent

Madras, 30 September 1898.

From

THE CONSULTING ENGINEER FOR RAILWAYS,
MADRAS,

To

THE AGENT AND MANAGER, M. RY.

Reminders.

Reply No. ________

dated ________

SIR,

I have the honour to ~~return~~ request that you will kindly affix your signature to Statement No. IV a on page 2 of the accompanying 9 copies of the Capital and Revenue Accounts of the Madras Ry for the 1st half of 1898 and to return them by the bearer with as little delay as possible.

CR

Will you kindly initial this draft.

[illegible] 30/9/98

EAW 30/9/98

For ER

Despatched on 30/9/98

Office

Write "Cancelled" across page 18 Surplus Profit Statement of the Accts before sending to Agent

EAW 30/9/98
CR

ER.

The accounts have been checked and countersigned and are returned herewith with the following remarks:-

1. Form No VIII. The following table compares the actual outlay of the period with the provisions made in the half-yearly establishment Rolls:—

Heads	Actuals	Provision in Rolls	Actuals compared with provision in Rolls		Remarks
			Actuals more	Actuals less.	
	Rs	Rs	Rs	Rs.	
Maintenance	5,41,515	7,96,781	...	2,55,266	
Locomotive Expenses... ...	9,57,248	10,44,995	...	87,747	
Carriage and Wagon expenses	2,30,042	3,28,314	...	98,272	
Traffic expenses.	4,19,982	4,59,780	...	39,798	
General charges...	2,86,478	3,05,753	...	19,275	
Special and Miscellaneous Expenditure	42,582	51,270	...	8,688	
Total...	24,77,847	29,86,893	...	5,09,046	

2. The above variations over the provision in the Rolls should be explained and the explanations recorded in the minutes of an official meeting.

3. Abstract G. The contribution of Rs 20,163-10-5 from Revenue to the Provident Fund has been passed by this office provisionally subject to the approval of yourself and the Agent and Manager, and on the understanding that any errors or omissions will be adjusted as necessary.

4. The amount as above passed into the accounts has since been recorded in the final proof of the minutes of the last Official meeting.

5. Statement No. XVI This statement has been countersigned as submitted by the Company, and a note added to it to show that the interest on the Calicut-Cannanore Capital is deducted from the amount declared as Surplus profits viz Rs 2,18,184-4-6, and the balance viz Rs 1,98,546-12-7 is passed as Surplus profits for division between Government and the Company, as directed by the Government of India in their telegram No. 581 R. Stat: dated 26th Septr: 1898, to the Joint Secretary to Government. P.W.D. Railway Branch.

6. Under Govt: of India Resolution No. 493 A.R. dated 5th September 1898, a G.O. may be issued authorizing the Local Accountant-General to pay the Company a moiety of the Surplus profits as passed, viz Rs $\frac{198546\text{-}12\text{-}7}{2}$ = Rs 99,273-6-3 after deducting income tax thereon which amounts to Rs 2,585-3-9. The Local Govt: may also sanction the payment to the Company of Rs 11675-10-0 being additional contribution to the Provident Fund for the period

E W Allen

1. 10. 98 }

C. R.

Return to Madras.

Everything should be prepared in Madras ready for final signature. And in returning them here for signature I shall be glad of a note by C.R. that everything is correct.

FWS 3/10/98

Form No. 1/A.

No. 2857

Madras, 17 October 1898.

From

THE CONSULTING ENGINEER FOR RAILWAYS,

MADRAS,

To

THE AGENT AND MANAGER, M. Ry.

Reminders.

Reply No. [illegible]

dated

SIR,

With reference to your letter No. 936 of 30th Sept 1898, I have the honour to return duly signed 2 printed copies together with 2 manuscript copies of the Capital and Revenue Accounts of the Madras Railway for the 1st half of 1898 and to forward herewith, for favour of necessary action, copy of an extract from a letter thereon by the Examiner of Railway Accounts Madras.

2. The contribution of Rs 20,163-10-5 from Revenue to the Provident Fund is approved subject to any errors or omissions ~~which will be~~ being subsequently adjusted if found necessary.

Encs 5.

Despatched on 17.10.98

To C R before issue.

7/10

3/10/98

EW 8/10/98

CR

Form No. 1.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

Af

Papers to be read in Proceedings :—

Again G.O., dated 189 , No.
Again G.O., dated 189 , No.
Ex. Current No. 4183 of 1898, dated 7-9-98 , from AM
" " " 4389 " 1898, " 20-9-98 , " do
" " " 4514 " 1898, " 30-9-98 , " do

ORDER. No. 1275 Ry d/ 17/10/98

4P

Print

The Accountant General is authorised to pay to the Agent & Manager MR, the sum of Rs 96,688-2-6 being the surplus profits, namely Rs 99,273-6-3 less income tax at 5 pies per rupee, due to the Company for the half year ending the 30th June 1898.

2. The Accountant General is further authorised to pay the Agent & Manager Rs 11,675-10-0 which represents the additional contribution to the Provident Institution for the same period.

JFS

Despatched on 17.10.98

Z The Accountant General [illegible]
" Agent & Manager MRy
" Examiner of RS Accts
" Con. Engr for Rys

S. C. desp 12/11/98

Z CR before issue.

CR 8/10/98

3/11/98

R
1-10-98