

15840✓

MADRAS AND SOUTHERN
MAHRATTA RAILWAY COMPANY.
LIMITED



241.2: V14

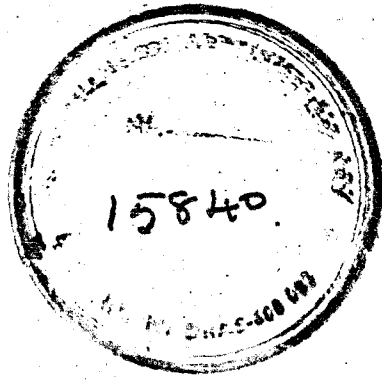
N14

10.1

10

THE MADRAS AND SOUTHERN MAHRATTA
RAILWAY COMPANY, LIMITED.

X 415-211 N14
N14



Memorandum

AND

Articles of Association.

Incorporated the 24th day of May, 1882. No. 16,850 C.

SLAUGHTER & MAY,

18, AUSTIN FRIARS,

LONDON, E.C.

DOHERTY & Co., Printers, 6, Great Newport Street, St. Martin's Lane, London, W.C.
48734 Telephone No. 3639 (Gerrard.)



THE COMPANIES ACTS, 1862 to 1900.

THE SOUTHERN MAHRATTA RAILWAY COMPANY, LIMITED.

Special Resolution.

Passed the 8th January, 1908.

Confirmed the 24th January, 1908.

At an EXTRAORDINARY GENERAL MEETING of the Southern Mahratta Railway Company, Limited, duly convened and held at the Offices of the Company, 46, Queen Anne's Gate, Westminster, London, S.W., on the 8th day of January, 1908, the subjoined Special Resolution was duly passed; and at a subsequent EXTRAORDINARY GENERAL MEETING of the said Company, also duly convened and held at the same place, on the 24th day of January, 1908, the subjoined Special Resolution was duly confirmed:—

“That the name of the Company be changed to ‘The Madras

“and Southern Mahratta Railway Company, Limited.’”

W. V. CONSTABLE,

Chairman.

12 ✓

The Companies Acts, 1862 to 1900.

THE MADRAS AND SOUTHERN MAHRATTA RAILWAY COMPANY, LIMITED.

Special Resolution.

Passed the 11th day of June, 1908. Confirmed the 26th day of June, 1908.

At an EXTRAORDINARY GENERAL MEETING of the above-named Company, duly convened and held at the Westminster Palace Hotel, Victoria Street, S.W., on the 11th day of June, 1908, the subjoined Special Resolution was duly passed; and at a subsequent Extraordinary General Meeting of the said Company, duly convened and held at 46, Queen Anne's Gate, Westminster, S.W., on the 26th day of June, 1908, the subjoined Special Resolution was duly confirmed:—

“That the Articles of Association of the Company be altered in manner following, that is to say:—

“ (A.) By adding at the end of Article 72 the words following, that is to say:—

“ The Directors may, with the approval of a General Meeting, from time to time transfer
“ any amount standing to the credit of the Reserve Fund to the credit of the Revenue
“ Account of any year or half-year, so as to increase the amount of the divisible fund for that
“ year or half-year.”

“ (B.) By deleting the word ‘five’ at the end of the first line of Article 64 and
“ substituting therefor the words ‘£100 of the aggregate nominal value of the.’ ”

EDW. Z. THORNTON,
Secretary.

13

THE MADRAS AND SOUTHERN MAHRATTA
RAILWAY COMPANY, LIMITED.

Special Resolution.

Passed the 13th December, 1916. Confirmed the 10th January, 1917.

At a GENERAL MEETING of the above-named Company, duly convened and held at the Offices of the Company, 91, York Street, Westminster, S.W., on the 13th day of December, 1916, the subjoined Resolution was duly passed as an Extraordinary Resolution; and at an EXTRAORDINARY GENERAL MEETING of the said Company, duly convened and held at the same place, on the 10th day of January, 1917, the subjoined Resolution was duly confirmed as a Special Resolution:—

“ That Clause 71 of the Articles of Association of the Company be altered by deleting therefrom the words ‘not exceeding 4 per centum per annum on the capital for the time being paid up or credited as being paid up.’ ”

P. A. CORY,

Ag. Secretary.

CONTENTS.

Memorandum and Articles of Association.

Index to Reprints of Contracts.

List of Contracts between The Secretary of State in Council of India and The Madras and Southern Mahratta Railway Company, Limited, shewing amendments or incorporation of those not reprinted in this Volume.

List of principal Contents of the Original Contract of 1st June, 1882.

List of principal Contents of the Mysore State Contract of 31st August, 1887.

Original Contract of 1st June, 1882, as amended by subsequent Contracts.

Mysore State Contract of 31st August, 1887, as amended by subsequent Contracts.

Supplemental or Present Working Contract of 26th June, 1908, as amended by subsequent Contracts.

Debenture Stock Contract of 11th February, 1914.

15

Memorandum of Association

OF THE

MADRAS AND SOUTHERN MAHRATTA RAILWAY COMPANY, LIMITED.

1. The name of the Company is "THE SOUTHERN MAHRATTA RAILWAY COMPANY, LIMITED."

See Special Resolution. Passed 8th January, 1908. Confirmed 24th January, 1908.

2. The Registered Office of the Company will be situate in England.

3. The objects for which the Company is established are:—

(A.) To enter into a Contract with the Secretary of State in Council of India (hereinafter called the Secretary of State) for the construction and carrying on of a railway to be called the Southern Mahratta Railway, and for other purposes, in the terms of a draft already prepared and scheduled to an agreement dated the 19th day of May, 1882, and made between the Secretary of State, of the one part and Sir Douglas Forsyth of the other part, and to carry out and perform the same subject to any modifications which the Company and the Secretary of State may from time to time agree upon:

(B.) To construct or acquire on lease or otherwise, and to equip, work, and carry on any railway within the East

Memorandum of Association of

Indies, in addition to the railway to be constructed in accordance with the Contract before mentioned, and generally throughout the East Indies, to carry on the business of a railway company, and all businesses usually carried on in connection therewith, including the businesses of wharfingers and lightermen:

- (c.) To construct or acquire on lease or otherwise any docks, piers, wharves, tramways, canals, bridges, or other works, warehouses, workshops, or other buildings, machinery, or other appliances whatsoever required for the purposes of the Company, or which may be deemed conducive to the profitable carrying on of any railway owned, leased, or worked by the Company:
- (d.) To construct, maintain, and carry on any system of telegraphs or telephones, or other system for transmission of messages, and generally to carry on the businesses of a Telegraph and Telephone Company:
- (e.) To erect, purchase, or otherwise acquire, furnish, and equip, and to let or manage any hotels:
- (f.) To carry on within the East Indies the business of common carriers of passengers, goods, produce, and cattle, and to contract for the transport of mails by any means whatever, and to establish and work in connection with any railway owned, leased or worked by the Company any tramway, line of steamers, or canal boats, coaches, wagons or other system or method of transportation:
- (g.) To purchase or hire, or to construct or make any engines or machinery, rolling stock, vessels, boats, vehicles, materials, stores or appliances for the time being required by the Company, in connection with any business carried on by it, including any machinery or appliance for compressing or packing cotton or other goods or materials:

- (h.) To enter into with any Government, person, or other Company or Association, any contract for the interchange of traffic, or for the forwarding of through traffic or any other contract or arrangement, commonly entered into between railway Companies for similar purposes, and to grant over the lines or other property of the Company, or to acquire over the lines or property of any Government, person, or other Company or Association, any running powers, user, right of way, or other easement or privilege whatsoever, and upon any terms:
- (i.) To utilise any works, buildings, machinery, plant, materials, or other property of the Company, by constructing or manufacturing thereat or therewith, any engines, carriages, wagons, machinery or other things for sale or hire, or by doing for reward any other work for the Secretary of State, or any person, Company or Association:
- (j.) To apply any part of the funds of the Company in or towards any charitable or benevolent purpose or provident fund or institution for the benefit, exclusively or not, of all or any of the Company's servants:
- (k.) To sell, let on lease, or otherwise dispose of absolutely, or for any term or interest the whole or any part of the property or undertaking of the Company either for cash or for the shares or obligations of or for any other interest in any other Company having objects in common with this Company, or for any rent or rent charge absolute or contingent or for any other consideration:
- (l.) To purchase the whole or any part of the undertaking, property, and business of any person or other Company or Association carrying on any business included in the foregoing objects, and in connection with such purchase to take over any liability of the vendor, and in the case of a purchase from a Company to take up or give any guarantee in respect of any of its capital or funded or other debt.

Memorandum of Association of

(m.) To distribute as dividends among the Members, in proportion to the amounts paid up on their shares or otherwise in accordance with the regulations of the Company, any money received from the Secretary of State under the said contract by way of interest, on money paid into the Bank of England or any Treasury in India under the said contract, whether representing profits of the Company or not:

(n.) To apply at the cost of the Company for any Act of Parliament necessary for enabling the Company to acquire any property, or to carry on any business comprised within the foregoing objects, or to extend the Company's powers:

(o.) To carry out any of the foregoing objects either alone or in conjunction with any Government, person, or other Company or Association, and either as principals or agents, and to contract for the carrying on of any part of the business of the Company by others, and generally to do and perform all such matters and things as may be incidental or conducive to the attainment of the above objects or any of them.

4. The liability of the Members is limited.

5. The capital of the Company is £3,000,000 divided into 150,000 shares of £20 each.

The Madras and Southern Mahratta Railway Company, Limited. 5

WE, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

Names, Addresses, and Descriptions of Subscribers.	Number of Shares taken by each Subscriber.
THOMAS DOUGLAS FORSYTH, 76, Onslow Gardens, South Kensington, No Occupation.	50
FREDERICK YOULE, Merchant, 155, Fenchurch Street, London, E.C.	50
EDWYN SANDYS DAWES, Merchant, 13, Austin Friars, London, E.C.	50
FREDERICK FRANCIS, 36, Courtfield Gardens, South Kensington, Banker.	50
FRANCIS STEWART CHAPMAN, J.P., 36, Stanhope Gardens, S.W.	50
JOHN SALUSBURY TREVOR, Major-General late Royal Engineers, 75, Ladbroke Road, Notting Hill.	50
SEPTIMUS RICHARD SCOTT, 9, Drapers' Gardens, E.C., Stockbroker.	50

Dated this 20th day of May, 1882.

Witness to the above signatures—

EDWARD Z. THORNTON,
Lieut.-Colonel, retired, the King's Own Royal Regiment,
31, Lombard Street.

Articles of Association

OF THE

MADRAS AND SOUTHERN MAHRATTA RAILWAY COMPANY, LIMITED.

It is AGREED AS FOLLOWS :—

1. In the interpretation of these Articles the several words and expressions to which meanings are hereby assigned shall, unless there be something in the subject or context repugnant thereto, respectively have the following meanings :—

“The Secretary of State” shall mean the Secretary of State in Council of India :

“The Company” shall mean the Southern Mahratta Railway Company, Limited :

See Special Resolution. Passed 8th January, 1908. Confirmed 24th January, 1908.

“The Board” shall mean the Board of Directors for the time being of the Southern Mahratta Railway Company, Limited :

See note above.

“Capital” shall mean the capital for the time being of the Southern Mahratta Railway Company, Limited :

See note above.

“Call” shall include any money payable upon a share under the terms of its allotment :

“Bankrupt” shall include a person whose affairs are under liquidation :

"Month" shall mean calendar month :

"Railway" shall include any tramway, whether worked by steam power or otherwise :

Words importing the singular number only shall include the plural number, and words importing the plural number only shall include the singular number :

Words importing the masculine gender only shall include the feminine gender :

"Person," or other words *prima facie* importing individuals only, shall *mutatis mutandis*, include corporate bodies :

"The Principal Contract" shall mean the contract, the draft of which is contained in the Schedule to the Agreement, specified in the Memorandum of Association, between the Secretary of State and Sir Douglas Forsyth, dated the 19th of May, 1882.

2. The Board shall, on behalf of the Company, cause the principal contract to be forthwith executed.

3. None of the regulations contained in Table A annexed to the Companies Act, 1862, shall apply to this Company.

4. The Board may pay, out of capital or any other moneys of the Company for the time being in their hands, other than moneys representing interest paid to the Company by the Secretary of State, all expenses incurred in or about getting up and establishing the Company, including the expenses of registration ; and all expenses incurred or to be incurred from time to time in or about the management of the Company, and the conduct of their affairs.

CAPITAL.

5. The Board shall be at liberty to commence and carry on the business of the Company, or any part thereof, as soon as they shall think fit, notwithstanding that the whole of the capital may not have been subscribed and taken.

6. The Company may at any time, with the sanction of a general meeting, increase its capital by the issue of new shares to such aggregate amount as shall be directed by the resolution sanctioning such increase of capital.

7. All or any of such new shares may be issued with such preference or priority as to dividends or in distribution of capital, or with any guarantee of dividend or interest, or with any other special rights and privileges, or subject to such special terms or conditions as to the amount to be called up, voting power, or otherwise, as shall be prescribed or directed by the resolution sanctioning the creation thereof, or by any subsequent resolution.

8. If and so far as any resolution sanctioning such increase of capital shall not otherwise determine, any capital raised by new shares shall be considered as part of the original capital, and such new shares shall be subject to the same provisions, whether with reference to the payment of calls or otherwise, and shall confer the same rights and privileges as to voting qualification and otherwise as if such new shares had been part of the original capital of the Company.

9. The Company may also, by special resolution, from time to time reduce its capital.

SHARES.

10. Subject to the provisions hereinbefore contained, and to the provisions of any resolution with reference to any shares hereafter to be created, the Board may allot and issue shares to such persons upon

such terms and conditions, and at such times as they may think fit, provided that no shares shall be issued with any preferential right, priority or guarantee, or at a discount, without the consent of a general meeting.

11. If several persons are registered as joint holders of any share any one of such persons may give effectual receipts for any dividend, interest, or bonus or return of capital payable in respect of such share.

12. If two or more persons are registered as joint holders of any share, such persons shall, as between themselves and the Company, be regarded as joint tenants with benefit of survivorship, and the person among them whose name shall, for the time being, stand first on the register as one of the holders of such share, shall alone be entitled to vote and act at all meetings, in person or by proxy, and such person shall alone be counted as present at any meeting.

13. No person shall exercise any rights or privileges of a Member until he shall have been registered in the register of Members, and shall have paid all calls and other moneys for the time being due on or in respect of every share held by him.

14. No Member who shall change his name or place of abode, or being a female shall marry, and no husband of such last-mentioned Member shall be entitled to receive any dividends, or to vote at any meeting of the Company, until notice of the change of name or abode, or marriage, be given to the Company for registration.

15. Every Member shall be entitled to a certificate under the Common Seal of the Company, specifying the share or shares held by him, and the amount paid thereon. If such certificate be worn out or lost, it may, on such evidence as the Board shall consider sufficient being furnished, be renewed on payment of five shillings or such less sum as the Board from time to time may direct.

16. The Board shall not either directly or indirectly employ any of the funds or assets of the Company in the purchase of any of the shares in the Company, but they may accept from any Member on such terms and conditions as shall be agreed upon, a surrender of his shares or any portion thereof.

CALLS ON SHARES.

17. The Board may from time to time make such calls as they shall think fit upon the Members in respect of all moneys unpaid on their shares, provided that twenty-one days' notice at least be given of each call.

18. Each Member shall be liable to pay the amount of all calls to the persons and at the times and places appointed by the Board. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed.

19. If the calls payable in respect of any share be not paid before or on the day appointed for payment thereof, any holder for the time being of such share shall be liable to pay interest at the rate of 10 per centum per annum, or at such other rate as the Board may from time to time fix, from the day appointed for the payment thereof, up to the time of actual payment.

20. The Board may, if they think fit, receive from any Member, willing to advance the same, all or any part of the moneys payable on any share held by him beyond the sums actually called up, and so much thereof as shall from time to time exceed the amount of the calls then made upon each share in respect of which such advance has been made may, as the Board and the Members paying the same shall agree, be treated either as moneys paid in advance in respect of such share entitling the holder thereof, for the time being, to dividends in

respect of such moneys in the same manner as if the same had been actually called up, or as moneys advanced to the Company at such interest and on such terms as the Member paying such sum, and the Board, may agree.

FORFEITURE OF SHARES.

21. If any Member fail to pay any call on the day appointed for payment thereof, the Board may at any time thereafter, during such time as the call shall remain unpaid, serve a notice on him requiring him to pay such call, together with interest and any expenses that may have accrued by reason of such non-payment.

22. The notice shall name a further day, on or before which such call, interest and expenses are to be paid. It shall also name the place where such payment is to be made (the place so named being either the registered office of the Company, or the place of business of the Bankers of the Company, or some other place at which calls of the Company are usually made payable). The notice shall also state, that in the event of non-payment of such call, interest and expenses, at or before the time and the place appointed, the shares in respect of which such call was made, will be liable to be forfeited.

23. If the requisitions of any such notices as aforesaid be not complied with, any share in respect of which any such notice shall have been given may at any time thereafter, before payment of all calls, interest and expenses, due in respect of such share, shall have been made, be forfeited by a resolution of the Board to that effect.

24. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, and re-allotted, or disposed of in such manner as the Board may think fit.

25. Any Member whose shares have been forfeited shall, not-

withstanding such forfeiture, be liable to pay to the Company all calls owing upon such shares at the time of forfeiture.

26. The Board may in their discretion remit, or annul the forfeiture of any share before it has been disposed of and within one year from the date of such forfeiture, on payment of all moneys due from the late holder of such share, and of all expenses in relation to forfeiture or upon any other conditions, which the Board may see fit to impose.

TRANSFER AND TRANSMISSION OF SHARES.

27. The Company may exercise the powers given by the Act, 36 and 37 Vic., Cap. 43, intituled an Act to enable Indian Railway Companies to issue and register shares and securities in India.

28. The transfer of any share in the Company shall be in writing executed both by the transferor and by the transferee, and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the register book in respect thereof. Every deed of transfer shall be deposited with the Company.

29. Every deed of transfer of any share in the Company may be in the following form, or such modification thereof, to be approved by the Board, as the circumstances of the case may require :—

I, _____ of _____
in consideration of the sum of £ _____ paid
by _____ of _____
hereinafter called the said transferee, do hereby transfer
to the said transferee the share (or shares) numbered _____
of and in
the undertaking called the "SOUTHERN MAHRATTA RAIL-
WAY COMPANY, LIMITED," to hold unto the said transferee,

See Special Resolu-
tion. Passed 8th
January, 1908. Con-
firmed 24th January,
1908.

his executors, administrators, and assigns, subject to the several conditions on which I held the same immediately before the execution hereof, and I, the said transferee, do hereby agree to accept and take the said share (or shares) subject to the conditions aforesaid. As witness our hands and seals the day of

30. There shall be paid to the Company in respect of each transfer such fee, not exceeding five shillings, as the Board shall from time to time appoint.

31. The transfer books may be closed during the fourteen days immediately preceding the Ordinary General Meeting in each year, and may be closed at such other time or times as the Board may deem expedient, provided that they be not closed for a greater period in the whole in any year than thirty days.

32. The Company shall not be bound by or recognise any trust, lien, or incumbrance comprising or affecting any share in the Company, but shall in every case recognise the registered holder of such share as alone and absolutely entitled thereto.

33. The executors or administrators of a deceased Member, or the trustee in bankruptcy of a Member, or the husband of a female Member not having her shares registered in her own name under "The Married Women's Property Act, 1870," shall not as such be a Member, but may, subject to the provisions of Article 34, either transfer any share of the respective deceased, bankrupt, or married Member to any person, or be themselves registered as Members in respect thereof, after in either case producing to the Board such reasonable proof of their title as the Board may deem sufficient, and an entry of such proof shall be made in the Register of Members.

34. The Board may refuse to register as a Member under the last preceding Article, and may refuse to register any transfer of a

share or shares not fully paid-up (whether made or proposed to be made under the last preceding Article or otherwise) to any person of whom in their absolute discretion they shall not approve, or a transfer by any person indebted to the Company.

35. The Board may accept as evidence of the transmission of any share of a Member domiciled abroad any judgment order or decree in bankruptcy, or other decree, letters of administration or probate, given, made, or granted by any Court of competent jurisdiction of the country of his domicile, and upon such evidence, or upon evidence sufficient according to the law of such country, or any matter or thing which by operation of law may have effected there a transmission of any share, or of the beneficial title thereto, may register as the owner thereof the person who would under or by virtue of such judgment, probate, matter, or thing have become entitled to such share had it been personal property situate within the jurisdiction of the country of domicile, without requiring any proceedings to be taken, letters of administration to be taken out, or will to be proved in England.

LIEN ON SHARES.

36. The Company shall have a first and paramount lien on any shares, the registered holder or any one of the registered holders of which may be indebted to the Company or is under any liability or engagement to them, whether in respect of any unpaid call or otherwise howsoever, whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not, and may absolutely refuse to register any transfer of any such shares until such lien thereon shall have been satisfied.

37. Such lien may be made available by a sale of all or any of the shares to which it attaches provided that no such sale shall be made except under a resolution of the Board, nor until notice in writing shall have been given to such indebted Member, requiring him to pay the amount for the time being due to the Company, and

until default shall have been made for twenty-eight days from the date of such notice in paying the sum thereby required to be paid.

38. In case of such sale the Board shall have power to transfer the shares so sold to the purchaser, and to apply the clear proceeds of such sale, after payment of any expenses in or towards satisfaction of such debt, and the residue, if any, shall be paid to such Member, his executors, administrators or assigns.

39. A statutory declaration that the call in respect of a share was made and notice thereof given, or that a debt was due to the Company from the holder of such share, and that notice to pay the same was given, and that such default as hereinbefore mentioned in payment of the calls or debt, as the case may be, was made, or that a notice as required by Article 37 was duly given, and that the forfeiture or sale of the share was made by a resolution of the Board to that effect, shall, as against all persons entitled to such share, be sufficient evidence of the facts therein stated; and on any sale by the Board of any forfeited share, such declarations and the receipts of two Directors of the Company for the price of such share shall constitute a good title to such share, and a certificate of proprietorship shall be delivered to the purchaser thereof, and thereupon such purchaser shall be deemed the holder of such share discharged from all claims due prior to such purchase, and he shall not be bound to see to the application of such purchase-money, nor shall his title to such share be affected by any irregularity in the proceedings in reference to such forfeiture or sale, and the remedy of any Member aggrieved by such sale shall be in damages only.

40. The liabilities of Members under these Articles, whether for payment of calls or otherwise, may be enforced against persons residing out of England, either in the Courts of England or in those of the country where such Members may be resident, at the option from time to time of the Board, but no failure in any such foreign suit shall

23

prevent the subsequent enforcement of any such liability in the Courts of England.

CONVERSION OF SHARES INTO STOCK.

41. The Board may, with the sanction of the Company previously given in General Meeting, at any time convert any paid up shares into stock.

42. When any such shares shall have been converted into stock the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interests in the same manner, and subject to the same regulations and restrictions, as and subject to which any shares in the capital of the Company may be transferred, or as near thereto as circumstances may admit.

43. The several holders of stock shall be entitled to participate in any dividends and profits of the Company, according to the amount of their respective interests in such stock, and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company, and for other purposes, as would have been conferred by the holding of paid up shares of equal amount, but so that no vote or right of voting, or any privilege or advantage except the participation in the dividends and profits of the Company, shall be conferred by the holding of any sum of stock which would not, if existing in paid up shares, have conferred such privilege or advantage; and all the provisions of these Articles with respect to shares shall, after such conversion, apply *mutatis mutandis* to stock.

SHARE WARRANTS TO BEARER.

44. The Company may issue share warrants in respect of paid up shares. Subject to the provisions of these Articles and of the Companies' Acts, 1867, the bearer of a warrant shall be deemed a Member to the full extent, but he shall not exercise his right.

if any, to attend or vote at any General Meeting, or poll, or sign a requisition for, or join in convening a meeting under the provisions herein contained, unless he shall have two clear days previously deposited the warrant representing the shares in respect of which he proposes to vote or act at the registered office of the Company, or other place appointed on that behalf by the Board.

45. The stamp duty on every share warrant to bearer, and all other expenses incident to the issue thereof, shall be borne by the person applying for the same.

46. In the case of loss of a share warrant a new one may be issued to the person claiming in respect of it, or such person may be entered on the Register of Members on producing evidence of his title, and of the loss of the warrant satisfactory to the Directors, and on his giving to the Company such indemnity, with or without security, as the Directors shall require.

47. The Company may provide by coupons or otherwise for the payment of future dividends on the shares or share represented by a share warrant.

GENERAL MEETINGS.

48. The First General Meeting shall be held at such time, not being more than four months after the registration of the Company, and at such place as the Board shall determine.

49. There shall be held in each year one Ordinary General Meeting, on such day as the Company shall appoint, or in case the Company shall fail to appoint, on such day as the Board shall from time to time appoint, and in every case at such hour and place as the Board shall appoint.

50. Other General Meetings shall be called Extraordinary General Meetings.

24

51. The Board may, whenever they think fit, and they shall, upon a requisition made in writing by any Members holding in the aggregate not less than one-twentieth part of the amount of the issued capital for the time being of the Company, upon which all calls due have been paid, convene an Extraordinary General Meeting. Every such requisition shall express the object of the meeting proposed to be called, and shall be left at the Registered Office of the Company.

52. Upon the receipt of any such requisition the Board shall, as soon as practicable, proceed to convene an Extraordinary General Meeting. If they do not proceed to convene the same within 21 days from the date of the requisition, the requisitionists or any other Members holding the required amount of capital may themselves convene an Extraordinary General Meeting.

53. Seven days at least before the holding of any General Meeting, notice specifying the place, the day, and the hour of meeting, and in case of special business, the general nature of such business, shall be given to the Members in manner hereinafter provided, or in such other manner as may at any time be prescribed by the Company in General Meeting; but the non-receipt of such notice by any Member or Members shall not invalidate the proceedings at any General Meeting.

PROCEEDINGS OF GENERAL MEETINGS.

54. All business shall be deemed special which is transacted at an extraordinary General Meeting, and also all business which is transacted at an ordinary General Meeting, with the exception of the following:

- (A.) The sanctioning of a dividend recommended by the Board:
- (B.) The election of directors or auditors, and the voting of their remuneration:
- (C.) The consideration of the accounts, balance sheets, and the ordinary report of the Board:

(D.) The passing any resolution relating to or arising out of the subject matter of such report or relating to the ordinary business of the Company.

55. No business, except the declaration of a dividend recommended by the Board and the re-election of directors and auditors and voting their remuneration, shall be transacted at any General Meeting unless there be present, in person or by proxy, at the time when the meeting proceeds to business, not less than twenty Members, but save as aforesaid five Members personally present shall be a quorum for a General Meeting of the Company.

56. If within one hour from the time appointed for any meeting a quorum, as hereinbefore provided, be not present, the meeting, if convened upon the requisition of Members, shall be dissolved, and in any other case the meeting shall stand adjourned to such time and place as the Board may appoint, or in default of such appointment to the same day in the next week at the same hour and place, and at such adjourned meeting the Members present shall constitute a quorum.

57. The Chairman of the Board shall preside at every General Meeting, or if there be no Chairman of the Board, or if he be not present at the meeting, the Deputy-Chairman of the Board shall preside, or if there be no Deputy-Chairman, or if he be not present at the meeting, one of Directors personally present and appointed by the Board for that purpose, at or prior to such meeting, shall preside, and in default thereof a Member personally present shall be chosen by the meeting to preside, and shall take the chair accordingly.

58. Any such Chairman at any General Meeting, whether on a show of hands or at a poll, shall in addition to his right of voting as an ordinary Member, have an additional or casting vote on all questions on which the votes shall happen to be equal.

59. Any such Chairman at any General Meeting may, with the consent of the meeting, adjourn the meeting at any time or place, and

from time to time, and from place to place; but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place or which shall be incident thereto.

60. The passing or carrying of any resolution at any General Meeting shall be decided in the first instance by show of hands.

61. At any General Meeting unless a poll be duly demanded as hereinafter mentioned, a declaration by the Chairman of such meeting that a resolution has been carried, and an entry to that effect made in the book of proceedings of the Company, shall be sufficient evidence of the fact and that the same was passed by any required majority, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

62. If at any General Meeting a poll be demanded in writing by five or more Members holding not less than 500 shares, it shall be taken on such day, at such hour and place, and in such manner as the Chairman of the Meeting shall direct.

63. Minutes shall be made in books to be provided for the purpose of all resolutions and proceedings of all General Meetings, and any such minutes, if signed by the Chairman of the Meeting to which they relate, or of the Meeting confirming the same, shall be receivable as evidence of the facts therein stated without further proof.

VOTES OF MEMBERS.

64. At a poll every member shall have one vote for every ~~five~~ £100 of the aggregate nominal value of the shares held by him upon which all calls due have been paid, provided, in the case of a meeting held after one month from the general allotment of shares, that he shall, if such share have been acquired by transfer, have been registered as the proprietor of such share in the books of the Company one month before the meeting at which he proposes to vote.

See Special Resolution. Passed 11th June, 1903. Confirmed 26th June, 1908.

65. If any member be a lunatic or idiot, he may vote by his committee, curator bonis, or other legal curator.

66. Votes may be given either personally or by proxy.

67. The instrument appointing a proxy shall be in writing under the hand of the appointor, or if such appointor be a Corporation under their Common Seal, and shall be left at the registered office of the Company 48 hours at least before the meeting at which it is to be used. No person shall be appointed a proxy who is not a Member of the Company and entitled to vote, provided that any corporation holding shares may appoint any Member or officer of its own to attend and vote in respect of such shares on a show of hands or as its proxy at a poll.

68. The instrument appointing a proxy may be in the following, or such other form, as the Board may from time to time approve.

THE SOUTHERN MAHRATTA RAILWAY COMPANY, LIMITED.

"I, A. B., of _____ in the County of _____, being a Member of the SOUTHERN MAHRATTA RAILWAY COMPANY, LIMITED, and entitled to _____ votes, hereby appoint C. D., of _____ a Member of the Company, as my proxy, to vote for me and on my behalf, at the ordinary (or extraordinary) General Meeting of the Company to be held on the _____ day of _____, and at any adjournment thereof.

As Witness my hand this _____ day of _____

Signed by the said A. B. in the presence of _____"

A proxy may be given for any particular meeting, and the adjournments thereof, or for any meetings, or class of meetings, to be held within a period not exceeding two years, to be fixed by the form of proxy, and shall be valid accordingly.

See Special Resolution. Passed 8th January, 1908. Confirmed 24th January, 1908.

DIVIDENDS.

69. The Board may, in addition to dividing the interest herein-after mentioned, with the sanction of the Company in General Meeting, declare out of the profits of the Company for the time being available for the payment of dividends, a dividend to be paid to the Members in proportion to the amounts paid or credited as paid upon their shares provided always that if at any time the Company shall, under the provisions in that behalf hereinbefore contained, have created any shares with special privileges in respect of a preferential or fixed minimum dividend attached thereto, any such declaration of a dividend shall be made subject and with due regard to the rights of the holders of such last-mentioned shares. The Board may deduct from any dividend at any time payable to any Member any moneys due from him to the Company, on account of calls or otherwise. No dividend shall bear interest as against the Company.

70. Every dividend and interim dividend shall belong subject to the lien of the Company to the members on the register or registers at the date of the meeting at which the same shall be declared, or in the case of an interim dividend at the date of the passing of the resolution of the Board to pay the same.

71. The Board may also at any time and from time to time direct the payment of an interim dividend on all the shares or any special class of shares for the time being of the Company in anticipation of the full dividend to become payable thereon at such rate not exceeding 4 per centum per annum on the capital for the time being paid up or credited as paid up, as the Board may from time to time think expedient.

72. The Board may at any time if they think fit before declaring any dividend or interim dividend beyond that payable out of the interest hereinafter mentioned set aside out of profits in any year or half-year,

such sum or sums as they may think proper as a provision against contingencies or for making good any deterioration or diminution in the value of the property of the Company by the effluxion of any lease or otherwise or for equalising dividends or for any similar purpose for the benefit of the Company, and may invest the sum so set aside as a reserve fund upon such securities from time to time as they may determine. Such Reserve Fund may, subject to any direction from time to time given by the Company in general meeting, be applied wholly or in part for any purpose of the Company. The Directors may, with the approval of a general meeting, from time to time transfer any amount standing to the credit of the Reserve Fund to the credit of the Revenue Account of any year or half-year, so as to increase the amount of the divisible fund for that year or half-year.

See Special Resolution, Passed 11th June, 1908. Confirmed 26th June, 1908.

73. Any moneys which may from time to time be paid by the Secretary of State to the Company by way of interest under the provisions of the principal contract or of any modification thereof, shall be distributed by the Board as dividends among the Members in proportion to the amounts paid up or credited as paid up on their shares by yearly or half-yearly payments as the Board may from time to time determine, and whether or not such balance of interests or any part of it represent profits of the Company or not.

DIRECTORS.

74. Sir Douglas Forsyth, Sir Henry Green, Sir Richard Pollock, Major-General J. S. Trevor, and Messrs. Edwyn Sandys Dawes, F. S. Chapman, Frederick Francis, and Gerard Norman, and the person first nominated in that behalf by the Secretary of State, under the principal agreement, shall be the first Directors of the Company.

75. The number of Directors of the Company exclusive of the nominee of the Secretary of State shall not be less than three nor more than eight, provided that the Company in General Meeting may from time to time within the limits aforesaid increase or reduce the number of Directors.

76. The qualification of a Director of the Company, whether hereby appointed or not, other than the nominee from time to time of the Secretary of State shall be the holding in his own right of not less than fifty shares, provided that the Company in General Meeting may from time to time alter such qualification.

77. At the Ordinary General Meeting to be held in the year 1883 and the Ordinary Meeting in every subsequent year one-third of the Directors, or if their number be not a multiple of three then the number nearest to one-third, shall retire from office.

78. The Directors to retire in pursuance of the last preceding clause shall on the first and second occasions, unless the Directors agree among themselves, be determined by ballot. In every subsequent year the one-third or other nearest number who have been longest in office shall retire, provided that the nominee of the Secretary of State shall not retire under the last preceding clause nor be reckoned in ascertaining the number to retire nor have any vote on any question as to retirement of Directors.

79. Subject to any resolution reducing the number of Directors the Company shall at the General Meeting at which any Directors shall retire in manner aforesaid fill up the vacancies by electing a like number of persons to be Directors.

80. Any retiring Director shall be eligible for re-election.

81. If at an Ordinary General Meeting at which the election of Directors ought to take place the vacancies in the direction are not filled up, the Meeting shall stand adjourned till the same day in the next week, at the same hour and place, or at such hour and place as may be at the time fixed by the Chairman of the Meeting, and if at such Adjourned Meeting the vacancies are not filled up, the retiring Directors, or so many of them as shall not have had their places filled up, shall continue in office until the next Ordinary General Meeting, and so on from time to time until their places are filled up.

82. A Member not being either a retiring Director or a candidate recommended by the Board, shall not be qualified to be elected, except under the next Article, a Director, unless not less than ten days nor more than one month before the day of election of Directors, there shall have been given to the Secretary of the Company a notice in writing by some Member qualified to vote, of his intention to propose such first mentioned Member for election, and also notice in writing by the Member to be proposed of his willingness to be elected.

83. If and whenever a casual vacancy shall occur in the office of Director, other than the office of the Government Director, such vacancy may be filled up by the Board, but any person who may be so chosen by them to fill a casual vacancy shall continue in office for the same period as the person whose place he has been chosen to fill would have been entitled to continue in office, provided that if such vacancy be not filled up by the Board such vacancy shall not invalidate any proceedings of the Board, or any act, matter, or thing done by them.

84. The Company may, in General Meeting, by a special resolution, remove any Director, other than the nominee of the Secretary of State, before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; and the person so appointed shall continue in office during such time only as the Director in whose place he may have been appointed would have continued in office if he had not been removed.

PROCEEDINGS OF DIRECTORS.

85. The Board may meet for the dispatch of business, and may adjourn and otherwise regulate their meetings as they shall think fit; and may from time to time determine the quorum necessary for the transaction of business.

86. All questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairman for the time being, in addition to his original vote, shall have a second or casting vote. A Director may at any time summon a meeting of the Board.

87. The Board shall, from time to time, appoint from among themselves, and may, from time to time, remove or displace a Chairman and Deputy Chairman; and such Chairman, or in his absence such Deputy Chairman shall preside at all Meetings of the Board. In case of the absence from any Board of such Chairman and Deputy Chairman one of the Directors present shall be chosen by the other Directors present to take the chair and preside at such meeting of the Board, and shall take the chair and preside accordingly.

88. The Board may, from time to time, delegate any of their powers to Committees, consisting of such Member or Members of their body as they may think fit. Any such Committee shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the Board.

89. Any such Committee may elect from their body a Chairman to preside at their meetings, and may, from time to time, remove such Chairman. If no such Chairman be elected, or in case of the absence of the Chairman from any meeting of the Committee, the Members of the Committee present shall choose one of their number present to preside at such meeting.

90. A Committee may meet and adjourn as they shall think fit. All questions shall be determined by a majority of votes of the Members of the Committee present, and in case of an equal division of votes, the Chairman, in addition to his original vote, shall have a second or casting vote.

91. All acts done, or purported to be done by any meeting of the Board, or any Committee of the Board, or by any person acting as

a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid or that any Director was disqualified, be as valid as if every Director or other person had been duly appointed and qualified.

92. The Board shall, from time to time, cause minutes to be made in books to be provided for the purpose

- (A.) Of all appointments of Committees or officers made by the Board;
- (B.) Of the names of the Directors present at each meeting of the Board, and of Committees of the Board;
- (C.) Of all orders made by the Board and by Committees of the Board;
- (D.) Of all resolutions of General Meetings of the Company of the Board, and of Committees of the Board.

93. Any such minute as aforesaid, if signed by any person purporting to be the Chairman of any General Meeting of the Company of any meeting of the Board, or a Committee of the Board, as the case may be, shall be receivable in evidence without any further proof.

94. The Board may from time to time appoint any one of their number to act as Managing Director, for such period, upon such terms as to remuneration and otherwise as they think fit, and may pay any special remuneration agreed upon out of the funds of the Company as part of its working expenses, and may delegate to such Managing Director such of their powers as they shall think fit, other than their powers to borrow and make calls, and no Managing Director while he continues to hold that office shall be subject to retirement from the Board under Article 77, or be taken into account in determining the rotation of retirement; but he shall be subject to the same provisions as to resignation or removal as the other Directors of the Company, and if

29

he at any time cease to hold the office of Director from any cause, he shall *ipso facto* and immediately cease to be Managing Director.

95. The Board may at any time and from time to time remove any Managing Director from that office, and may appoint any other Director to be a Managing Director in his stead; and may also at any time discontinue the office of Managing Director if they shall think fit.

96. The Board may at any time and from time to time revoke, rescind, suspend or curtail all and every, or any of the powers which may have been under the provisions hereinbefore contained delegated to any such Managing Director.

97. The Board may from time to time appoint, from their own body or otherwise, such person or persons as the Board may from time to time think fit to act as agent, superintendent, commissioner, or as a committee or committees in the superintendence and conduct of the general affairs or any of the affairs of the Company in India, or for any permanent or temporary purpose whatever, and may depute to any such agent, superintendent, commissioner, or committee such of the powers of the Board as the Board may from time to time think fit. The Board may also from time to time add to or reduce the number of persons comprising any such committee, and may direct, prescribe and limit the powers and duties of such several persons so to be employed in such several capacities as aforesaid, and the mode and manner of carrying out and conducting the same; and may remove and replace any member of such committee, and any agent, superintendent or commissioner, and may break up and dissolve any such committee, and may appoint a fresh committee, agent, superintendent, or commissioner, as the case may be, and may allow and pay such salary to any such agent, superintendent, commissioner, or member of a committee as the Board may in their discretion think fit; and may otherwise act in the full discretion of the Board in the appointment and employment of any person in India in such capacity, and at such

a rate of salary, and in the removal or replacement of such person, as in the absolute discretion of the Board may be thought fit.

98. No person who may at any time be appointed by the Board under the last preceding Article to be an agent, superintendent, commissioner, or a member of any committee in India, shall be required, as a condition of holding such office to have any qualification by the holding of shares in the Company.

99. The Board may at any time appoint a Secretary or any other officer of the Company at such salary or remuneration as they shall think fit, and may from time to time remove any such Secretary or other officer and appoint any person in his stead or may discontinue the office.

100. The appointment and removal of the Bankers and Solicitors of the Company shall be in the discretion of the Board, to be exercised by them in such manner as they from time to time shall think fit.

101. The remuneration of the Directors other than the nominee of the Secretary of State shall be an annual sum of £2,500, or such other annual sum as the Secretary of State may from time to time approve, to be paid by equal quarterly instalments out of funds of the Company, as part of its working expenses, and shall be divided among the Directors in such manner as they shall from time to time agree.

102. Any Director other than the nominee of the Secretary of State shall *ipso facto* vacate his office:—

(A.) If he cease to hold his due qualification:

(B.) If he become of unsound mind or become bankrupt, or be convicted of felony, or be absent from all Board Meetings for six consecutive months without leave of the Board:

(c.) If he hold any office or place of profit under the Company other than herein expressly authorised:

(d.) If he is concerned in or participates in the profits of any contract with the Company, provided that no Director shall vacate his office by reason only of his being a Member or Director of any other Company which has entered into contracts with or done any work for the Company, but he shall not vote in respect of such contract or work, and of he does so vote his vote shall not be counted.

103. Any Director, other than the nominee of the Secretary of State, may at any time resign his office by sending in his resignation in writing to the Board.

104. The Board shall cause a seal of the Company to be prepared, and may from time to time authorise the affixing the Seal of the Company to any deed or document, such authorisation to be evidenced by the signature to every such deed or document whereto the Seal may be affixed of two of the Directors of the Company and every such deed or document shall be countersigned by the Secretary or acting Secretary, or other officer appointed in that behalf by the Board. The Seal shall be kept in such custody as the Board shall from time to time direct.

105. The Board may in their discretion exercise all the powers given by "The Companies' Seals Act, 1864," which are hereby declared to be conferred on the Company.

MANAGEMENT OF THE COMPANY BY THE BOARD.

106. The Registered Office of the Company shall be at 31, Lombard Street, in the City of London, or at such other place in the City of London, the City of Westminster, or the County of Middlesex, as the Board shall from time to time determine.

107. The business of the Company shall be managed by the Board, and the Board may therein exercise all such powers of the Company as are not by any Act of Parliament for the time being in force in relation to the Company, or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these Articles, and to the provisions of any such Acts, and to such regulations (not being inconsistent with the afore-said regulations or provisions) as may be prescribed by the Company in General Meetings, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made, and the generality of this provision shall not be limited by any subsequent article, clause, or provision conferring any express power on the Board and the continuing Directors may act notwithstanding any vacancy in their body.

POWERS OF THE BOARD

108. Subject to the last preceding Article the Board shall have the entire management and superintendence of the affairs and concerns of the Company, and in particular shall have full power at any time, and from time to time, to do all or any of the following things:—

- (A.) To exercise all or any of the powers given to the Company by the Memorandum of Association, including the power to sell the whole or any part of the property and undertaking of the Company and the power to purchase the property and business of any other Company:
- (B.) To bring, institute, or defend any action, suit, or prosecution, or other legal proceedings, civil or criminal:
- (C.) To refer disputes to arbitration, and to compromise any debts or claims to, from, by or upon the Company:

- (D.) To give time to any debtor of the Company for payment of his debt:
- (E.) To buy or take on lease or otherwise acquire or accept permission to use upon such terms, and for such periods, and for such estates and interests as they shall think fit, any real or personal property that they may think requisite for any purpose of the Company, and again to sell or lease the same:
- (F.) To erect any buildings for any purpose of the Company:
- (G.) To execute all deeds, receipts, and other documents they may think necessary, and for any such purpose to use when necessary the Common Seal of the Company:
- (H.) To draw, accept, make and endorse any bill of exchange or promissory note, and to give or enter into any bond, recognizance, or other similar security required to be given to the Crown or to any person, or to be entered into for any purpose of the business of the Company, and to authorise any other person to draw, accept, make and endorse any such bills of exchange and promissory notes, and to give and enter into any such bond, recognizance, or other similar security on behalf and for the purposes of the Company:
- (I.) To make and carry into effect all contracts and agreements for or in respect of any purpose of the Company, and in particular in respect of the construction of working of any railways:
- (J.) To manage, employ, use or otherwise deal with all real and personal or other property of the Company, which shall not for the time being be available or applicable or

required for the purposes of the Company, in such manner as the Board shall think best for the interests of the Company; and to invest any moneys of the Company for the time being unemployed in such manner and upon such securities as the Board shall think fit:

- (κ.) To make such modifications of the provisions contained in the principal Contract as the Board and the Secretary of State may agree upon.

109. The Board may, at any time and from time to time,

- (A.) Build, maintain, and manage schools for the education of the children of the Company's officers and servants in India:
- (B.) Build and maintain houses and dwellings for the accommodation of the Company's officers and servants and their families in India.

110. The Board may at any time allow, as part of the working expenses of the Company, such compensation for services, or such special remuneration as they may think fit to any Director, in addition to any ordinary remuneration or emoluments to which he may be otherwise under these Articles for the time being entitled.

111. The Board may at any time, either separately or in conjunction with any other Company, establish in India for the benefit of the Company's servants and officers a Provident Institution, and may from time to time maintain and manage, or join or concur with any other Company in maintaining and managing, such Provident Institution if, and when, established in such manner as the Board shall think best. And may from time to time, on behalf of the Company, make and enter into such contracts with the Members of such Provident

Institution as the Board may approve with reference to the deposit, control and application of the said Members' subscriptions, the contributing to the funds of such Institution by the Company, the charging of the said Members' subscriptions (if deposited with the Company) upon the tolls, receipts and property of the Company, and with reference to the general maintenance and management of such Provident Institution, and may from time to time contribute to the funds of such Institution, any sums that may become due or payable by way of subscription of the Company under any such contract.

BORROWING POWERS.

112. The Board may with the sanction of the Company in General Meeting at any time and from time to time either before or after all the capital of the Company shall have been raised, borrow or raise and take up any sum or sums of money either by way of loan or by the issue of bonds, debentures or otherwise, and may secure the payment of the principal moneys and interest or the interest thereof in such manner, including a charge on the whole or any part of the property of the Company or on unpaid calls or uncalled capital, in such form and on such other conditions as may be determined upon by the General Meeting sanctioning the exercise by the Board of the borrowing powers of the Company.

113. For the purpose of effecting any such loan or security as aforesaid the Board may in their discretion make and execute under the Common Seal of the Company any mortgage, charge, debenture, or other instrument, with or without power of sale, and in such form as they shall think best, or may deposit any of the documents of title of property of the Company, either with or without powers of sale or other special provisions as they may think advisable.

ACCOUNTS.

114. The Board shall cause full and true accounts to be kept of all moneys received or expended on account of the Company by the Board, and by all persons employed by or under the Board, and of the matters and things for and in respect of which such moneys shall respectively have been received or expended, and of the assets and liabilities of the Company. The Company's books shall be open to the inspection of Members at the Registered Office of the Company, during the usual hours of business, subject to any reasonable regulations which the Board may make.

115. The books of the Company shall be balanced at least once in every year; and at each Ordinary General Meeting the Directors shall submit to the Members a duly audited and certified balance sheet, income and expenditure account, and profit and loss account, made up to as recent a date as possible, accompanied by a report of the Directors on the transactions of the Company during the period covered by such accounts.

AUDIT.

116. Once at least in every year the accounts of the Company shall be examined, and the correctness of the said balance sheets and accounts ascertained by two Auditors.

117. The first Auditors shall be appointed by the Directors, and they shall hold their offices until the First Ordinary General Meeting of the Company; at the first and at every subsequent Ordinary General Meeting the Company shall elect two Auditors, who shall hold their offices until the next Ordinary General Meeting.

118. If any casual vacancy occurs in the office of Auditors the Board shall appoint an Auditor to fill such vacancy.

119. The Auditors may, but need not be Members; but no person shall be eligible as an Auditor who is interested otherwise than

as a Member in any transaction of the Company, and no Director or other officer of the Company shall be eligible during his continuance of office.

120. The remuneration of the Auditors shall be fixed by the Company in General Meeting.

121. Any Auditor, on his quitting office, shall be eligible for re-election.

122. If at any time the Company fail to appoint Auditors, in manner aforesaid, the Board of Trade may, on the application of not less than five members, appoint an Auditor for the current year, and fix the remuneration to be paid to him by the Company for his services.

123. Every Auditor shall be supplied with a copy of the balance sheet and accounts, and it shall be his duty to examine the same with the books of the Company and the vouchers relating thereto.

124. Every Auditor shall have a list delivered to him of all books kept by the Company, and shall at all reasonable times have access to the books and accounts of the Company.

NOTICES.

125. Notices may be served on the Company by leaving the same at, or by sending the same by post to the registered office of the Company. Notices required to be given by the Company to the Members may be served either personally or by sending them through the post in letters addressed to the Members at their respective registered places of abode.

126. When the registered place of abode of any Member is not situate in the United Kingdom he shall appoint some place situate in the United Kingdom to which addressed communications to him may be sent, and any place so appointed shall for the purpose of these Articles be deemed to be the registered place of abode of the appointor.

127. Unless and until any such Member as last aforesaid shall give such address as is hereinbefore required, it shall not be necessary to give him any notice in any case in which by these Articles notice is required to be given to the Members.

128. All notices directed to be given to Members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register of Members, and notice so given shall be sufficient notice to all the holders of such share.

129. Any notice requiring authentication by the Company may be signed by any director, secretary, or other authorised officer of the Company, and need not be under the Common Seal of the Company, and the same, including the signature, may be in writing or in print, or partly in writing, and partly in print.

130. Any notice, if served by post, shall be deemed to be served at the time when the letter containing the same would be delivered in the ordinary course of post, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office.

ARBITRATION.

131. If and whenever any doubt, difference, dispute, question, or controversy shall arise between the Company or the Board on the one hand, and any Member, his heirs, executors, administrators, or assigns on the other hand, or between any Members or classes of Members, touching the construction of these Articles, or any clause or provision herein contained, or any other thing in anywise relating to the Company or the business, property, or assets thereof (except any question or matter which can under these Articles or by statute be decided by a majority of votes of the Members, or as to which the decision or discretion of the Board is conclusive) the matter in difference shall be referred to two arbitrators

or their umpire, pursuant to, and so as, with regard to the mode and consequences of the reference, and in all other respects to conform to the provisions in that behalf contained in the Common Law Procedure Act, 1854, or any subsisting statutory modification thereof, and upon any or every such reference the arbitrators and umpire shall respectively have power to examine the parties and witnesses upon oath or affirmation, and either to fix, settle, and determine the amount of costs of the reference and award respectively, or incidental thereto, to be paid by both parties or by either party, or to direct the same to be taxed either as between solicitor and client or otherwise, and to direct and award where and by, and to whom such costs shall be paid, and every or any such reference may be made a rule of Her Majesty's High Court of Justice, on the application of either party thereto, and either party may instruct counsel to consent thereto for the other party.

GOVERNMENT DIRECTOR.

132. Upon, and as from the time of the execution of the principal contract, and while the same remains in force, the Secretary of State may from time to time appoint any one person to be a Director of the Company. The Government Director shall be *ex officio* a Member of all Committees appointed by the Board or by the Company, in relation to the projected Railway in the principal contract mentioned and defined, or any matter connected therewith, and he may moreover exercise, at his discretion, an absolute veto in all proceedings whatsoever at the Board of Directors. The Government Director shall not be removable except by the Secretary of State. The Secretary of State may from time to time, as often as occasion shall require, appoint a person to represent the Government Director at any Meeting of the Board, or at any Committee Meeting at which the Government Director may not be present, and the person so appointed shall have all such rights, and may exercise all such powers, as the Government Director, if present, would have had or might have exercised. Nothing hereinbefore contained shall preclude this present article from taking full effect according to the tenor thereof.

 NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS.

THOMAS DOUGLAS FORSYTH,	76, Onslow Gardens,	South Kensington,	No Occupation.
FREDERICK YOULE,	Merchant,	155, Fenchurch Street,	London, E.C.
EDWYN SANDYS DAWES,	Merchant,	13, Austin Friars, London, E.C.	
FREDERICK FRANCIS,	36, Courtfield Gardens,	South Kensington,	Banker.
FRANCIS STEWART CHAPMAN, J.P.,	36, Stanhope Gardens, S.W.		
JOHN SALUSBURY TREVOR,	Major-General late Royal Engineers,	75, Ladbroke Road, Notting Hill.	
SEPTIMUS RICHARD SCOTT,	9, Drapers' Gardens, E.C.,		Stockbroker.

Dated this 20th day of May, 1882.

Witness to the above Signatures:—

EDWD. Z. THORNTON,
Lieut.-Colonel,
Retired, The King's Own Royal Regiment,
31, Lombard Street.

INDEX

TO

REPRINTS (WITH AMENDMENTS) OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY COMPANY'S CONTRACTS WITH THE SECRETARY OF STATE IN COUNCIL OF INDIA.

See also (at the end of this Index) separate list of other Contracts with the Secretary of State now embodied in these reprints, and lists of Principal Contents of the Madras and Southern Mahratta Railway and Mysore State Contracts.

NOTES.—*p* refers to the Preamble of Contract.

n signifies a reference to a note, or extract from some other Contract, appended to the section mentioned.

	CONTRACTS.		
	M.&S.M.R. 1st June, 1882.	Mysore State, 31st Aug., 1887.	Supple- mental or "Present Working Contract," 26th June, 1908.
	Section.	Section.	Section.
ACCOUNTS—			
Capital, Capital Advance, Revenue and Stores, and how to be kept ...	33	40 to 44	
To be audited by the Officers appointed by the Secretary of State ...	52	61	
To be kept by the Company of all its transactions and proceedings ...	53	62	
Secretary of State to have free access to all ...	53	62	
CAPITAL—Particulars to be entered ...	34	43	
Debit of 30 lacs of rupees in respect of the Bellary Railway ...	34 n		
Debit of amount expended on the Kistna Railway ...	34 n		
May be audited and corrected by the Secretary of State ...	35	44	
REVENUE—To be made up half-yearly and submitted to the Secretary of State ...	36	45	
STORES—To be made up half-yearly, or made up and balanced when required by the Secretary of State ...	37	46	
CAPITAL ADVANCE—(Mysore)—to be kept by Company ...		40	
" " " mode of keeping ...		42	
All Accounts of the Mysore Railway (Section 40) to be kept entirely separate and distinct ...		41	
AGENT or COMMITTEE OF AGENCY in India ...	64	70	
ALLOWANCES of Company's permanent supervising Staff not to be charged to Capital after the Company's lines are opened except with the express sanction of the Secretary of State ...	39	48(2)	
ALTERATIONS, ETC., in Works or improvements in working required by the Secretary of State to be carried out by the Company ...	16 & 21	21 & 18	
APPLIANCES—The Company prohibited by the Secretary of State from using any appliance declared to be unfit by his Inspecting Officer ...	17	22	
APPROPRIATION OF EXPENDITURE—see "Expenditure" ...	39 & 40	48 & 49	

	CONTRACTS.		
	M.&S.M.R. 1st June, 1882.	Mysore State, 31st Aug., 1887.	Supple- mental or "Present Working Contract," 26th June, 1908.
	Section.	Section.	Section.
ARBITRATION—			
Generally	69	76	
Reference to, of any dispute, as to charging expenditure to Capital and Revenue	40	49	
ARKONAM-GUNTAKUL SECTION			27
ARRANGEMENTS with other railways			
ARTICLES OF ASSOCIATION—Not to be altered, varied, or added to without the sanction of the Secretary of State	56		
AUDIT of Company's Account by the Secretary of State	35, 36, 52	44, 45, 61	
AUDITOR, Joint	40	49	
AUXILIARY RAILWAYS—See "Branch Railways."			
BANGALORE-NANJANGUD SECTION—Secretary of State may require transfer to the South Indian Railway Company		54 n	35 & 37
BANK OF ENGLAND—Moneys to be paid by the Company to the credit of the Secretary of State at the—(also § 1 of Debenture Stock Contract of 11th February, 1914)	31	38	
BELGAUM—A branch to be constructed to	3 (4)		
An extension from, to join the Great Indian Peninsula Railway at or east of Poonah... ..	48		
BELLARY RAILWAY to be available for broad gauge	17 n		
BELLARY-RAYADRUG RAILWAY to be worked by the Company			4
Gross receipts of	42 n		18
BENGAL-NAGPUR RAILWAY COMPANY to use Waltair Junction and Branch to Vizagapatam			36
BEZWADA-MAZULIPATAM BRANCH—Rebates payable to Kistna Local Board			39
BOOKS—See "Accounts."			
BORROWED CAPITAL—The Company not to borrow money without the sanction of the Secretary of State (see also "Debentures")	55		
BRANCH LINES AND EXTENSIONS (see also "Construction")—			
Via Gadak to Bellary, Gadak to Sholapur, to Rani-Benar and to Belgaum	3		
Belgaum to Poonah, Bellary to Gundakul, Rani-Benar to the Mysore Railway, Gundakul to Bezwada, and Guntur to Tenali and Repalle ...	3 n		
British Section of the Gundakul-Yesvantpur Railway, Bellary-Rayadrug and Hospet-Kottur Railways	3 n		4
Madras-Vizagapatam Section and Sections of the Madras Railway and South Indian Railway	3 n		
May have to be constructed to Karwar and to Hurrihur	48		
Of the Mysore Railway		57	
Right of Secretary of State to require the Company to construct or acquire	49		
BULLION AND COIN belonging to the Secretary of State or Mysore Government to be conveyed by the Company at special rates	23	32	
BUSINESS (other than that provided by Contract) not to be carried on by the Company without the sanction of the Secretary of State	55		

	CONTRACTS.		
	M.&S.M.R. 1st June, 1882.	Mysore State, 31st Aug., 1887.	Supple- mental or "Present Working Contract," 26th June, 1908.
	Section.	Section.	Section.
CAPITAL—			9
Not to be issued without consent of Secretary of State			
Of the Company's and State Lines, division between the Secretary of State and the Company			8, 10
Money required for the Undertaking supplied by the Secretary of State, or by the issue of debentures, etc.		37	9, 10, 11
All moneys paid by the Company to Secretary of State as stated shall belong absolutely to the Secretary of State		38	
Interest on, at 3½ per cent., to be provided by the Secretary of State			15
Amount of this interest to be deducted from Company's share of profits			21
Increase or reduction (sanction of Secretary of State)	55		11
Secretary of State might require new issue before the 1st July, 1908			8
To be repaid by the Secretary of State to the Company on expiration of Contract	68		23
Mysore—£1,224,000 paid by Company to Secretary of State		35	
Capital Receipts and Charges which belong to the Southern Mahratta Railway and Mysore Railway shall be divided in proportion to the gross Capital Expenditure of each			41 (1)
CAPITAL ACCOUNT—			
How to be kept, audited, etc.	33 to 35, 48, 57	40, 43, 44, 57	
Value of Stores used to be entered in Capital Account or Revenue Account	37	46	
Principle for deciding what expenditure is to be charged to	39	48	
CAPITAL ADVANCE ACCOUNT			40 & 42
CARRIAGE OF STORES to be at rates approved by the Secretary of State (not under cost)	25	34	
CERTIFICATE—			
To be furnished by the Secretary of State to the Company as to relinquishment of land	7	11	
The Company to open any part of Railway for public traffic on certificate of fitness by Inspecting Officer of Secretary of State	9	13	
CHARGES OF GOVERNMENT TELEGRAPH DEPARTMENT—Company to pay into Government Treasury in India			16
CLASSIFICATION of passengers and goods for purpose of rates	20	29	24
COIN—See "Bullion."			
COMMITTEE OF AGENCY	64	70	
COMPANY, THE—Interpretation of term	1		
COMPANY'S AND STATE LINES, THE	3 n		4
COMPENSATION—			
No claim on the Secretary of State for, to be made by the Company in respect of Acts, Treaties, etc., of the Indian Legislature	60	66	
For goods: Reserve Funds to be established and maintained by the Company	62	68	
CONSTRUCTION OF LINES AND EXTENSIONS, STATIONS, MACHINERY, etc.—Generally ...	3 & 48	7 & 57	
Stores for, to be conveyed by the Company over open line at approved rates	25	34	
CONSTRUCTION OF EXTENSIONS—Cost of to be borne by Capital	39	48	

	CONTRACTS.		
	M.&S.M.R. 1st June, 1882.	Mysore State, 31st Aug., 1887.	Supple- mental or "Present Working Contract," 26th June, 1908.
	Section.	Section.	Section.
CONSTRUCTION, ACQUISITION AND WORKING OF BRANCH OR AUXILIARY RAILWAYS by the Company may be required by the Secretary of State	49	58	
CONTROL BY THE SECRETARY OF STATE—See "Supervision and Control."			
CONVENTION between Secretary of State and Government of any Tributary or Foreign State		66	
COPIES of or Extracts from the Company's books, accounts, papers and documents may be called for by the Secretary of State	55	62	
Mysore—Of all Plans, Specifications, etc., handed over to Company by Secretary of State as from 30th June, 1886		3	
CORRESPONDENCE—Records of, to be kept by the Company	53	62	
COSTS—			
Of Reference as to charging Expenditure to Capital or Revenue to be treated as working expenses unless Secretary of State shall otherwise direct	40	49	
Of Arbitration, reference or award to be fixed, settled and determined by Arbitrators and Umpire	69	76	
Of Arbitration, may be directed by Arbitrators and Umpire to be taxed, as between Solicitor and Client	69	76	
Of Surveys, Plans, etc.	48		
DANGEROUS ROLLING STOCK—Use of, by the Company, may be prohibited by the Secretary of State	17	22	
DEBENTURE STOCK AND DEBENTURES—			
Includes Debenture Bonds—(Mysore)		1	
£1,200,000 issued by Company at 4 per cent. on 1st March, 1886, and indemnity by Secretary of State		35, 36	
Discharge of Company from liability if Secretary of State takes possession of the Undertaking—§ 6 of Contract of 11th February, 1914.			
Interest paid by the Secretary of State a charge on the Undertaking—§ 3 of Contract of 11th February, 1914.			
Interest credited on moneys raised by issue of debenture stock remaining to credit of the Secretary of State at the Bank of England—§ § 4 and 5 of Contract of 11th February, 1914.			
Provisions as to further issues (and see the Contract of 11th February, 1914)			9
Premiums on issue		36	12
Secretary of State to provide money for principal and interest (see also the Contract of 11th February, 1914		35, 36	13
DEFAULT OF COMPANY AS TO MAINTENANCE, ETC.—			
May be remedied by Secretary of State	13 & 16	12, 18, 19 & 21	
Generally—ground for determination of Contract		71	
DEFINITIONS and interpretation of terms	1, 3 n	1	6
DESIGNS AND ESTIMATES, ETC.—Furnished to Secretary of State	3	7	
The cost of, to the Secretary of State, to be debited to the Company's Capital Account	34 (c)	43 (f)	

	CONTRACTS.		
	M.&S.M.R. 1st June, 1882.	Mysore State, 31st Aug., 1887.	Supple- mental or "Present Working Contract," 26th June, 1908.
	Section.	Section.	Section.
DETERMINATION OF CONTRACTS	2	71 to 74	2
Recital of notice given in 1906			3
Secretary of State stands in place of the Company as regards liability on Debenture Stock—§ 6 of Contract of 11th February, 1914.			
DIFFERENCES arising as to charging Expenditure to Capital or Revenue, to be referred to the Joint Auditor, or to the Company's Auditor and a person to be named by the Secretary of State, or to an Umpire named by them	40	49	
DIRECTOR, GOVERNMENT—See "Government Director."			
DIRECTORS' FEES—Proportion to be included in Working Expenses	41 (1)	50 (1)	
DISPUTES between the Secretary of State and the Company to be referred to Arbitration	69	76	
DISTRICT BOARDS			6
DOCUMENTS—Secretary of State to have free access to all	53	62	
DURATION OF CONTRACTS	2	71, 72	2
EAST COAST STATE RAILWAY—Through rates			38
EQUIPMENT with rolling stock	8	12	
ERRORS in Capital and Revenue Accounts, correction of	35 & 36	44 & 45	
ESTIMATES in relation to construction, etc., of Railway, Stations, etc.	3	7	
The cost of to the Secretary of State to be debited to the Company's Capital Account	34 (e)	43 (f)	
EXCHANGE, RATE OF	33 n	1	22
EXISTING CONTRACTS defined			3
EXPENDITURE—Appropriation of, to Capital and Revenue respectively	39	48	
Differences as to appropriation of, mode of dealing with	40	49	
Attributable to any half-year—how to be discharged out of Revenue	42	51	
EXTENSIONS—See "Construction."			
FARES, and minimum for passengers	20	29	
FINANCIAL YEAR—Alteration by Contract of 20th May, 1914		1 n, 45 n, 46 n, 48 n	6 n
FORMATION OF COMPANY—Expenses in connection with, to be debited to Capital Account	34 (a)		
FREE PASSES to be furnished by Company for use of persons employed by Secretary of State in construction or working of Telegraphs (see also § 22 Madras and Southern Mahratta Railway Contract, and § 31 Mysore Contract)	10	14	
GADAR—The line from the terminus of the West of India Portuguese Railway to Bellary to be viâ	3 (1)		
Line from Sholapur to	3 (2)		

	CONTRACTS.		
	M. & S.M.R. 1st June, 1882.	Mysore State, 31st Aug., 1887.	Supple- mental or "Present Working Contract." 26th June, 1908.
	Section. 3, 49	Section. 7, 58	Section.
GAUGE OF RAILWAY and Auxiliary or Branch Lines to be metre ...	17 n		
Broad gauge, adaptation of Bellary Railway for ...			
Conversion of Guntakul-Bangalore line if required by Secretary of State ...			33
Services for State Departments to be on same general conditions as in force on State Railways of same gauge ...	22		25
GOVERNMENT DIRECTOR—Appointment and Powers ...	54	63	
GOVERNMENT EXAMINER OF RAILWAY ACCOUNTS—			
Differences as to charging Expenditure to Capital or Revenue in certain circumstances to be referred to ...	40	49	
GOVERNMENT OF TRIBUTARY OR FOREIGN STATE—			
<i>Mysore</i> —Company not to communicate or negotiate with, unless with sanction of and under supervision of Secretary of State ...		65	
GOVERNMENT OFFICIALS—Services for, to be performed by the Company as required by the Secretary of State ...	22	31	
GREAT INDIAN PENINSULA RAILWAY—			
An extension from Belgaum to join the Great Indian Peninsula Railway at, or east of, Poonah may have to be constructed by Company ...	48		
GUBBI—Company to construct a line to a junction with the Southern Mahratta Railway near Hurrihur, from terminus at ...		7	
GUNTAKUL TO BANGALORE—Line to be converted to standard or mixed gauge, if required by Secretary of State ...			33
Standard girders to be used ...			34
GUNTAKUL-YESWANTPUR RAILWAY—British Section, to be worked by the Company ...			4
Gross receipts of ...	42 n		18
GUNTUR-TENALI SECTION of the Guntur-Repalle Railway ...			4 n
Gross receipts of ...	42 n		18 n
HALE-YEARLY CHARGE by the Secretary of State for Supervision and Control (see "Supervision.")			
HAULAGE PAYMENTS BY OTHER COMPANIES ...			29
HINDUPUR RAILWAY—An Extension to, from Tumkur ...		57(3)	6
HOSPET-KOTTUR RAILWAY to be worked by the Company ...			4
Gross receipts of ...	42 n		18
HOUSES FOR EMPLOYÉS to be constructed by the Company ...	3	7	
Situations and dimensions of ...	5	9	
The Secretary of State to supply land for ...	7	11	
HURRIHUR—The Company may be required to construct a branch to ...	48		
<i>Mysore</i> —Company to construct a line from Gubbi to a junction with the Southern Mahratta Railway near ...		7	
IMPROVEMENTS OR ALTERATIONS in works and working may be required by the Secretary of State ...	16 & 21	21 & 28	
INCORPORATION OF THE COMPANY—Expenses in connection with, to be debited to Capital Account ...	34(A)		

	CONTRACTS.		
	M. & S.M.R. 1st June, 1882.	Mysore State, 31st Aug., 1887.	Supple- mental or "Present Working Contract." 26th June, 1908.
	Section.	Section. 35 & 73	Section.
INDEMNITY by Secretary of State as to Debenture Stock, debts, etc. ...	65		
INSPECTING OFFICERS OF THE SECRETARY OF STATE—			
To certify when any part of Railway is fit for conveyance of passengers and goods, and properly equipped ...	9	13	
May report to the Secretary of State when use of any Rolling Stock, machinery, etc., by Company is attended with danger ...	17	22	
To be afforded facilities by Company to enable them to perform their duties ...	52	61	
INSURANCE—Reserve Funds to be established for, and maintained by the Company on requisition of Secretary of State ...	62	68	
INTERCHANGE OF TRAFFIC AND ROLLING STOCK with other railways ...			27
INTEREST on Capital Stock and Debentures and Debenture Stock (see "Capital" "Debenture Stock").			
INTERPRETATION OF TERMS ...	1, 3 n	1	6 p
INVENTORY OF RAILWAY (Mysore) rolling stock, plant, and machinery handed over to Company, as on 30th June, 1886, to be made and signed on behalf of Secretary of State and Company ...		5	
JOINT AUDITOR—Differences as to charging Expenditure to Capital or Revenue to be referred to the ...	40	49	
KADUR—An extension from, through Hassan to Seringapatam, Secretary of State may require Company to construct ...		57	
KARWAR—The Company may be required to construct a branch to ...	48		
KATPADI-GUDUR LINE—Handed over to the Company on 1st January, 1908 ...			p
KOLAR GOLDFIELDS RAILWAY—Handed over to the Company on 1st January, 1908 ...			p, 4, 6
KISTNA LOCAL BOARD—Entitled to rebates ...			39
LAND—			
To be provided by Secretary of State ...	3	11	
Any not required, to be relinquished by the Company ...	7	11	
Secretary of State exclusively entitled to possession of land relinquished by the Company ...	7	11	
To be granted to the Company for alterations, improvements, or additions The cost of land to the Secretary of State in possession of Company to be debited to Capital Account ...	16	21	
Relinquished by the Company (see § 7 Madras and Southern Mahratta Railway, and § 11 Mysore), to be credited to Company's Capital Account ...	34(b)	43(d)	
Used by the Company is the property of the Secretary of State ...	34(b)	43(l)	
<i>Mysore</i> —Re handing over to Company by Secretary of State as from 30th June, 1886 ...	67	75	
Cost of, to Secretary of State, allowed to Company for purposes of extensions, to be entered to debit of Capital Account ...		3	
		57	

	CONTRACTS.		
	M.&S.M.R. 1st June, 1882.	Mysore State, 31st Aug., 1887.	Supple- mental or "Present Working Contract," 26th June, 1908.
	Section.	Section.	Section.
LAW OF BRITISH INDIA to be observed by Company in conducting its business of carriers of passengers and goods (Mysore)		26	
LEASE—The Company may be required to lease or acquire auxiliary or branch Railways	49	58	
LEGAL EXPENSES of the Secretary of State in relation to or arising out of this Contract to be debited to the Company's Capital Account	34(f)	43(i)	
(reasonable) incurred by Secretary of State or the Company to be treated as Working Expenses	41(9)	50(9)	
LEGISLATURE IN INDIA—			
The Secretary of State to promote the passing of Acts required by the Company to carry into effect its Contract	59		
The Company to make no claim for compensation on the Secretary of State in respect of Acts passed by the	60	66	
LIABILITIES OF COMPANY—At date of termination of Contract the Company to be indemnified by Secretary of State against existing debts and liabilities ...	65	73	
LIABILITIES OF SECRETARY OF STATE under Contracts for execution of Works, etc., to be discharged by the Company	6	10	
LINES—Opening of, for traffic	9	13	
MACHINERY—			
Construction of	3	7	
The Railway to be equipped with, by the Company	8	12	
To be kept in good repair by the Company	14	18	
The use of unsafe, may be prohibited by the Secretary of State	17	22	
Of State Railways, may have work done upon it in the Company's Workshops	45	54	
To be inspected by the Officers of the Secretary of State	52	61	
Mysore—Taken over by Company as from 30th June, 1886		3	
Inventory of machinery taken over by Company to be made and signed on behalf of Company and Secretary of State		5	
To be kept separate and distinct		18	
MADRAS RAILWAY SYSTEM—Parts handed over to the Company, from 1st January, 1908			3
MADRAS-BANGALORE SECTION—Running powers of the South Indian Railway Company over			{ 28 to 32 & schedule
MADRAS-VIZAGAPATAM SECTION			3
Through rates with Northern Section of East Coast State Railway ...			38
MAHARAJAH OF MYSORE—			
His expenditure of Rs. 68,60,508, repayable to him on transfer of Mysore Railway			3
Secretary of State acting on his behalf to provide Company with land for Railway and take possession of land not required		11	
MAILS to be conveyed by the Company as defined by Post Office Acts	22	31	
MAINTENANCE and working of Telegraphs by Secretary of State	10	14	
Of railway, stations, works, rolling-stock, etc., by the Company	13 & 14	18 & 19	
Of sufficient staff upon lines open to traffic	15	20	
What cost of, to be included in Working Expenses	41(4) & (5)	50(4) & (5)	

	CONTRACTS.		
	M.&S.M.R. 1st June, 1882.	Mysore State, 31st Aug., 1887.	Supple- mental or "Present Working Contract," 26th June, 1908.
	Section.	Section.	Section.
MANAGEMENT—			
Of the Railway by the Company	13 to 17	18 to 22	
Of the Company, the Expenses of, such sum as the Secretary of State may allow to be debited to Capital Account	34(a)		
Cost incurred in, after opening of Line, to be deemed Working Expenses ...	41	50	
METRE GAUGE—Railways to be of	3 & 49	7 & 58	
MILITARY DEPARTMENT—Services to be performed by the Company as required by the Secretary of State	22	31	
MINUTES of Meetings of Directors to be kept by the Company	53	62	
MONEY—Supply of by Secretary of State		37	
MONEYS RECEIVED BY COMPANY—			
All to be paid without deduction to the Bank of England, to credit of Secretary of State, or Government Treasury in India	31	38	
Prior to opening of any part of the Line, also moneys received for sale of any property, to be treated as received on account of Capital, and the residue as on account of Revenue	32	39	
MYSORE—Secretary of State may require Company to construct an extension from Mysore to foot of Neilgherry Hills		57	
MYSORE GOVERNMENT—			
Secretary of State to make arrangements with for providing and maintain- ing Police		23	
Company to perform all services as required by Secretary of State for any department of the		31	
Company shall convey Gold and Silver Bullion, Coin, and Copper Coin belonging to the, at special rates		32	
Requirements of, with regard to traffic to have precedence		33	
MYSORE RAILWAY—			
Expenditure on, by the Maharaja of Mysore to date of transfer by him to Secretary of State, Rs. 68,60,508 (subject to verification)		3	
The cost of extension to Hurrihur, estimated not to exceed £1,224,000 ...		3	
Interpretation of term		1	
As to handing over to the Company by Secretary of State		3 to 6	
Extension of, to Hurrihur to be constructed by Company		7	
Other extensions		57	
Staff of, to be retained by Company		20	
Receipts of, to be treated on account of Revenue		39	
MYSORE-NANJANGUD RAILWAY			6
MYSORE STATE LINES—Defined			6
Company entitled to one-twentieth of surplus net earnings			20
NATIVE STATE AND DISTRICT BOARD RAILWAYS			6
NAVAL ESTABLISHMENT—Services to be performed by the Company as required by the Secretary of State	22	31	
NEILGHERRY HILLS—Secretary of State may require Company to construct an extension from Mysore		57	
NOTICES, DECISIONS, ETC., OF THE SECRETARY OF STATE—How given	63 & 64	69 to 71	

	CONTRACTS.		
	M.&S.M.R. 1st June, 1882.	Mysore State, 31st Aug., 1887.	Supple- mental or "Present Working Contract," 26th June, 1908.
	Section.	Section.	Section.
RECEIPTS—			
Of Company to be paid over to the credit of the Secretary of State at the Bank of England, or Government Treasury in India, or Government of Mysore...	31	38	
Of Company, division of, between Capital and Revenue	32	39	
On account of Capital to be credited to Capital Account	34(i)	43(m)	
On account of Revenue to be entered in the Revenue Account	36	45	
On account of Revenue, mode of dealing with	42	51	11, 12, 17
Of the British Section of Guntakul-Yesvantpur and of the Bellary-Rayadrug and Hospet-Kottur Railways	42 n		18
Of the Guntur-Tenali and Tenali-Repalle Sections of the Guntur-Repalle line	42 n		18 n
RENT of London Office, proportion to be included in Working Expenses	41(1)	50(1)	
REPAYMENTS TO COMPANY (on termination of Contract) to be made by Secretary of State	68		
REQUIREMENTS OF SECRETARY OF STATE—			
To be complied with by the Company with all reasonable speed	50	59	
RESERVE FUNDS—			
To be established and maintained by the Company for insurance, compensation, deterioration, etc.	62	68	
Contributions to be paid out of receipts		51 (4)	
RETURNS AND STATISTICS	41(2), 58	50 & 64	
REVENUE—			
Receipts and payments to be treated as	32, 39, 41	39 & 48	
Mode of dealing with	42	51	
Surplus (see "Surplus Revenue").			
To bear proportion of half-yearly charge of Secretary of State for supervision and control	51	60	
May be required to contribute to Reserve Funds for Insurance, Compensation, Deterioration, etc.	62	68	
Division and apportionment of revenue receipts and charges belonging to the Southern Mahratta Railway and Mysore Railway		41	
REVENUE ACCOUNT—			
How to be kept, etc.	33 & 36	40 & 45	
Value of stores used, to be entered in Revenue Account (or Capital Account)	37	46	
Adjustment of stores on valuation to be carried to Revenue Account	38	47	
ROLLING STOCK—			
Equipment of line with, by the Company, to the satisfaction of the Secretary of State	8	12	
To be kept in good repair by the Company to the satisfaction of the Secretary of State	14	19	
Unsafe and dangerous	17	22	
Supply to and interchange with other Railways, as required by the Secretary of State			2
Of State Railways, work may be done upon, in the Company's workshops...	45	54	
To be inspected by the Officers of the Secretary of State	52	61	
Reserve Funds to be established and maintained by the Company, to make good deteriorations of	62	68	

	CONTRACTS.		
	M.&S.M.R. 1st June, 1882.	Mysore State, 31st Aug., 1887.	Supple- mental or "Present Working Contract," 26th June, 1908.
	Section.	Section.	Section.
ROLLING STOCK (<i>continued</i>)—			
Mysore—Taken over by Company, as from 30th June, 1886		3	
Inventory of Rolling Stock taken over by Company, to be made and signed on behalf of Secretary of State and Company		5	
To be kept separate and distinct		18	
ROUTES to be selected and determined by the Secretary of State and notified by him to the Company	3 & 4	7 & 8	
RUNNING POWERS and facilities and accommodation for other Railways, provisions as to			27
SALARIES—			
Of Company's permanent Supervising Staff not to be charged to Capital after the Lines (§ 3) are opened, except with the express sanction of the Secretary of State	39	48(2)	
Of Clerks and Servants, proportion to be included in Working Expenses	41(1)	50(1)	
SAVINGS BANK	61	67	
SECRETARY OF STATE—			
Interpretation of term	1		
Charges against the Company	34 & 41	43 & 50	
Notices, decisions, etc., by	63	69	
Property of—To be exclusively entitled to the possession of certain buildings, machinery, etc.	10	14	
Signatures to bind	63	69	
Supervision and control of the Company	50 to 53	59 to 62	
SERINGAPATAM—An extension to, from Kadur, through Hassan. Secretary of State may require Company to construct			57
SERVICE OF TRAINS, speed, etc.	19	27	
SERVICES rendered to the Secretary of State to be performed at rates approved by him	22	31	
SHOLAPUR—A line to be constructed from Gadak to	3(2)		
SOUTH INDIA RAILWAY—			
Lines handed over to the Company on 1st January, 1908			28 to 32 & Schedule
Running powers over Madras-Bangalore Section, through rates and other facilities			35, 37
Bangalore-Nanjangud section to be transferred to South Indian Railway Company if required by Secretary of State			Schedule
Memorandum of Agreement with the Company as to Madras-Bangalore Section	3		
SOUTHERN MAHRATTA RAILWAY—Lines of Railway to comprise the	19	27	
SPEED of Trains to be in accordance with the requirements of the Secretary of State	15	20	
STAFF to be maintained by the Company, to the satisfaction of the Secretary of State, and Mysore Railway Staff to be retained	22	31 to 33	40
STATE DEPARTMENTS—services for			

	CONTRACTS.		
	M & S.M.R. 1st June, 1882.	Mysore State, 31st Aug., 1887.	Supple- mental or "Present Working Contract," 26th June, 1908.
	Section.	Section.	Section.
STATE RAILWAYS—May have work done in the Company's Workshops ...	45	54	
STATE RAILWAY TELEGRAPHS—Rules of, to be observed by the Company ...	12	17	
STATES, Tributary or Foreign—no communication or negotiation without consent of the Secretary of State ...		65	
STATIONS—			
Construction of ...	3	7	
Situation of, to be determined by the Secretary of State ...	5	9	
Land for, to be provided by Secretary of State ...	7	11	
To be kept in good repair, etc., by the Company ...	13	18	
Use of, by State or other Railways, to be allowed by the Company ...			27
Alterations or additions to, for State or other Railways ...			27
To be inspected by the Officers of the Secretary of State ...	52	61	
STATISTICS ...	41(2) & 58	50(2) & 64	
STOCK—Interest on Capital payable by Secretary of State ...			15
STORES—			
For use on the Railway to be conveyed by the Company on opened Line ...	25	34	
Purposes for which used to be entered in Stores Account ...	37	46	
In hand, to be valued when the Secretary of State directs ...	38	47	
To be inspected by the Officers of the Secretary of State ...	52	61	
Mysore—In hand or in course of delivery taken over by Company on 30th June, 1886 ...		4	
To be kept separate and distinct ...		18 & 41(5)	
Apportionment of cost of, purchased in respect of Southern Mahratta and Mysore Railways ...		41(5)	
An account of all Stores handed over to the Company to be furnished to the Secretary of State ...		46	
STORES ACCOUNT—			
And directions as to keeping and delivering ...	33 & 37	40 & 46	
To be corrected in accordance with valuation, all adjustments to be made by entries to debit or credit of Revenue ...	38	47	
SUPERVISION AND CONTROL OF THE COMPANY BY THE SECRETARY OF STATE—			
Proportion of cost of, to be debited to Company's Capital Account ...	34(e)	43(h)	
Amount chargeable to Revenue to be included in Working Expenses ...	41(7)	50(7)	
Cost of, to be charged half-yearly ...	51	60	
The half-yearly charge for, to be a mileage rate of Rs. 40 for every mile of Railway constructed or under construction ...	51	60	
Division of the half-yearly charge for, between Capital and Revenue ...	51	60	
SURPLUS REVENUE—			
Division between Secretary of State and the Company ...	42(4)	51(5)	16, 17, 19 & 20
Deduction of guaranteed interest from Company's share ...			21
SURVEYS—			
Existing, to be made over to the Company ...	6	10	
Existing, the Company to have the benefit of, for construction of Extensions ...	48		
The cost of, to the Secretary of State (see § 6 Madras and Southern Mahratta Railway and § 18 Mysore), to be debited to the Company's Capital Account ...	34(c)	45(f)	

	CONTRACTS.		
	M & S.M.R. 1st June, 1882.	Mysore State, 31st Aug., 1887.	Supple- mental or "Present Working Contract," 26th June, 1908.
	Section.	Section.	Section.
TELEGRAPHS—			
Construction, maintenance, &c., possession of buildings and plant, and use of telegraphs ...	10 & 11	14 & 15	5
Rules to be observed by the Company ...	12	17	
Charges of the Government Telegraph Department for telegraphs and appliances used in construction to be debited to the Company's Capital Account ...	34(d)	43(g)	
Charges of the Government Telegraph Department for rent, maintenance and inspection of ...	41(8)	16 & 59(8)	
To be inspected by the Officers of the Secretary of State ...	52	61	
Receipts to be accounted for by Company ...		17	
TERMINATION OF CONTRACT—(See also under "Determination") ...	2	71 to 74	2
Capital to be repaid by the Secretary of State ...	68		23
TERMS USED IN THE CONTRACT—Interpretation of ...	1	1	
TOLLS to be paid to the Company for running powers granted to other Railways ...			27
TRAFFIC—			
Opening of Lines for ...	9	13	
As to the conveyance of ...	19 to 25	26 to 33	
For the Secretary of State to have precedence ...	24	33	
Interchange of, with State and other Railways, to be arranged for by the Company ...			27
TRAINS to be run in accordance with the requirements of the Secretary of State ...	19	27	
TRANSACTIONS AND PROCEEDINGS, record to be kept ...	53	62	
TREATY between Secretary of State and Government of any Foreign or Tributary State ...		66	
TRIBUTARY OR FOREIGN STATE—No communication without consent of Secretary of State ...		65	
TROOPS—Police, etc., to be carried at rates approved by Secretary of State ...	22	31	
TUNKUR, an Extension from, to Hindupur. Secretary of State may require Company to construct (Mysore) ...		57	
VALUATION OF STORES IN HAND to be made at such times and in such manner as agreed between Secretary of State and Company ...	38	47	
VETO OF GOVERNMENT DIRECTOR absolute in all proceedings at Board ...	54		
VIZAGAPATAM BRANCH—Secretary of State may require re-transfer ...			36, 37
Through rates between Madras-Vizagapatam Section and Northern Section of East Coast State Railway ...			38
WALT AIR JUNCTION, Secretary of State may require re-transfer ...			36, 37
WAY LEAVES, Secretary of State may construct Telegraphs on the Company's property ...	10	14	
WAREHOUSES, construction of ...	3, 5, 7	7, 9, 11	

	CONTRACTS.		
	M. & S. M. R. 1st June, 1882.	Mysore State, 31st Aug., 1887.	Supple- mental or Present Working Contract, 26th June, 1908.
	Section.	Section.	Section.
WEST DECCAN CONTRACT—Any dispute, question, or controversy between the Secretary of State and Company, to be referred to arbitration ...	69		
WEST OF INDIA PORTUGUESE GUARANTEED RAILWAY—			
The Southern Mahratta Railway to run from the terminus of ...	3		
Lines worked by the Company and, to form part of the System ...			6
WORKING OF AUXILIARY OR BRANCH RAILWAYS BY THE COMPANY—May be required by the Secretary of State ...	49	58	
WORKING EXPENSES—			
Generally ...	41	50	
To bear seven-tenths of cost of police for protection of open line ...	18	50	
To bear the cost of returns and statistics required by the Secretary of State ...	58	50 (2) 64	
WORKING OF RAILWAY—Rules relating to the ...	19 to 25	26 to 33	
WORKS—			
Construction of ...	3, 5, 7	7, 9, 11	
Existing, the Company to have the benefit of ...	6	10	
Existing, the Company to have the benefit of, for construction of extensions, etc. ...	48		
Telegraphs may be constructed on, by Secretary of State ...	10	14	
Secretary of State has general powers of entering ...	10	14	
Cost of, to Secretary of State (see § 6), to be debited to the Company's Capital Account ...	34(c) 34(g) 48	43(k)	
Cost of, chargeable to Revenue, to be included in working expenses ...	41(6)	5(6)	
To be inspected by the Officers of the Secretary of State ...	52	61	
WORKSHOPS—Work to be done in, for Rolling Stock and Machinery belonging to State Railways, as required by the Secretary of State ...	45	54	

LIST OF CONTRACTS

Between The Secretary of State in Council of India and The Madras and Southern Mahratta Railway Company, Limited.

CONTRACTS REPRINTED IN THIS VOLUME, as amended :—

1st June, 1882	...	Original Contract.
31st August, 1887	...	Mysore State Contract.
26th June, 1908	...	Supplemental or Present Working Contract.
11th February, 1914	...	Contract as to Debenture Stock.

CONTRACTS CANCELLED BY, OR AMENDED AND INCORPORATED IN, the above-mentioned Contracts, but not reprinted in this volume.	REFERENCES TO THEM IN THE ABOVE CONTRACTS.		
	1st June, 1882, Clauses (or notes thereto).	31st Aug. 1887, Clauses (or notes thereto).	26th June 1908, Clauses (or notes thereto).
28th October, 1885—WEST DECCAN RAILWAY ...	39 & 69		
Clause 2 ...	3		
Clause 2 (7) cancelled ...			26
Clause 3 cancelled ...			14
Clause 5 ...	33		
31st August, 1887—BELLARY RAILWAY ...	3		
Clause 3 ...	17		
Clauses 4, 5 and 6 cancelled ...			14
Clause 7 ...	34		
27th February, 1889—KISINA RAILWAY ...	3		
Clause 4 cancelled ...			7
Clause 9 ...	34		
Clause 10 cancelled ...			26
21st August, 1893—BRITISH SECTION OF GUNTAKUL-YESVANTPUR RAILWAY ...	3		
Clauses 10 (a), (c), (d) and 11 ...	20		
Remainder cancelled ...			4 (a)
8th April, 1903—RATE OF EXCHANGE ...	33	1	
26th June, 1907—TEMPORARY POSTPONEMENT OF NOTICE TO DETERMINE CONTRACTS...			Preamble
16th March, 1911—AMENDING THE PRESENT WORKING CONTRACT OF 26TH JUNE, 1908			8, 11, 28, 29, 30, 31, 35, 37
20th May, 1914—ALTERATION OF FINANCIAL YEAR ...	36, 42, 43, 1, 45, 46,	17, 21, 39	
Clause 2 ...	48		6
12th August, 1914—GUNTUR - TENALI SECTION OF THE GUNTUR - REPALLE RAILWAY ...	3, 42		4, 12, 17, 18

44

Madras and Southern Mahratta Railway Contract.

CONTENTS.

	PAGES.
Interpretation of Terms	3
Duration of Contract	3
Construction of Lines	4
Lines forming "the Company's and State Lines"	5
Notification to Company of Route of Railways	6
Situation of Stations, &c.	6
As to certain existing Surveys, &c.	7
Land, &c.	7
Equipment with Rolling Stock, &c.	7
Opening of the Lines for Traffic	8
Telegraphs	8
As to Maintenance and Management of the Projected Railway	9
Police	10
As to the Use and Working of the Projected Railway and the Conveyance of Traffic	11
Receipts of Company	14
Accounts	14
Appropriation of Expenditure	18
Working Expenses	20
As to the Application of Receipts	21
As to Running Powers and other Facilities and Accommodation for other Railway Companies and State Railways	23
As to the Construction of Extensions	24
Construction, Acquisition and Working of Auxiliary or Branch Railways	25
The Company to comply with the Requirements of the Secretary of State	26
As to the Supervision and Control of the Secretary of State and the Appointment of a Government Director	26
Miscellaneous Provisions	27
As to the Termination and Expiration of the Contract and Repayments to Company	29
Arbitration	30

Mysore State Railway Contract.

CONTENTS.

	PAGES.
Interpretation	4
Duration of Contract	6 & 32
As to handing the Mysore Railway over to the Company and matters connected therewith	6
Construction of the Projected Railway	7
Notification to Company of Route of Projected Railway	7
Situation of Stations, &c., on Projected Railway	7
As to certain existing Surveys	7
Land, &c., for the Undertaking	8
Equipment of the Projected Railway with Rolling Stock	8
Opening the Projected Railway for Public Traffic	9
As to Telegraphs on the Undertaking	9
As to the Maintenance and Management of the Undertaking	10
As to Dangerous Rolling Stock	12
Police	12
As to Working the Undertaking, Fares, &c.	12
As to Services Rendered to Secretary of State on the Undertaking	14
As to Carriage of Stores	15
As to the Debenture Stock issued by the Company and other Payments by the Company to Government and Payment of Interest to the Company	15
Supply of Money by Government	16
Payment of Receipts of Company to Government Account	16
Attribution of Receipts of Company to Capital and Revenue respectively	16
Accounts	17
Appropriation of Expenditure	21
Working Expenses	23
As to Application of Receipts	25
As to Running Powers and other Facilities and Accommodation for other Railway Companies and State Lines	26
Power to the Secretary of State to require a Transfer of the Bangalore-Nanjangud Section to the South Indian Railway Company, Limited	27
As to the Construction of Extensions	27
Construction, Acquisition and Working of Auxiliary or Branch Railways	28
The Company to comply with the requirements of Secretary of State	28
As to the Supervision and Control of the Secretary of State	29
Miscellaneous Provisions	30
As to the Termination and Expiration of the Contract	32
As to Property in the Undertaking	33
Arbitration	33

46

1st JUNE 1882.

The Madras and Southern Mahratta
Railway Company Limited.

Contract

WITH

THE SECRETARY OF STATE IN COUNCIL
OF INDIA

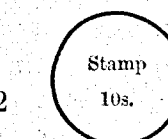
FOR THE

CONSTRUCTION MAINTENANCE MANAGE-
MENT AND WORKING OF "THE COMPANY'S
AND STATE LINES"

*(As amended by subsequent Contracts up to and including
the Contract dated the 12th August 1914).*

NOTE.—*The places in which alterations made by subsequent Contracts have been incorporated are printed in italics.*

This Indenture made the 1st day of June 1882
between THE SECRETARY OF STATE IN COUNCIL
OF INDIA of the one part and THE SOUTHERN
MAHRATTA RAILWAY COMPANY LIMITED of the
other part:



The name of the Company changed to "The Madras and Southern Mahratta Railway Company Limited" in January 1908.

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

INTERPRETATION OF TERMS.

1. In this Contract

The expression "The Secretary of State" means the Secretary of State in Council of India :

The expression "The Company" means the *Madras and Southern Mahratta Railway Company Limited* :

The expression "The projected railway" means and includes the four several lines of railway mentioned in the 3rd Section of this Contract and any such of the lines of railway particularised in the 48th Section of this Contract as the Secretary of State may hereafter under the powers conferred on him by that section require the Company to construct:

The expression "The Company's and State Lines" means and includes the projected railway and the lines specified in the note appended to the 3rd Section of this Contract.

DURATION OF CONTRACT.

2.—(a.) *This Contract may be determined by the Secretary of State on the 31st day of December 1937, or on the 31st day of December in any succeeding fifth year reckoning from that date, by giving to the Company in London not less than twelve calendar months' previous notice in writing of such determination.* *This clause is Clause 2 of the Contract of 26th June 1908.*

(b.) *Upon the day on which this Contract shall be determined by notice under the provisions hereinbefore contained, the Company shall deliver to the Secretary of State possession of all land of which he shall have allowed the*

Company possession under or for the purposes of this Contract (except only such lands as may previously have been already re-delivered to him, or sold with his sanction) together with the stations, station yards, offices, warehouses, houses for employes, conveniences, rails, machinery, fixtures, and plant then erected or being on the land to be delivered up under this section, or in anywise belonging to the projected railway or any part thereof, and also deliver to the Secretary of State possession of any office in England of the Company and deliver to the Secretary of State all rolling stock, movable machinery, and plant belonging or appropriated either as regards purposes of construction or working or otherwise to the projected railway or any part thereof, or any of the works or adjuncts thereof, and all stores in hand or in the course of delivery on that day, and all plans, books, surveys, sections, printings, writings, and documents whatsoever in anywise connected with or with the construction of the projected railway or any part thereof, or any of the works or adjuncts thereof, and any electric telegraphs, telegraphic appliances, and other property belonging to the Secretary of State and then in the possession of the Company in connection with this Contract, including all furniture and tenants' fixtures appropriated to the office in England of the Company. The Company will also on the day on which this Contract shall be determined refund to the Secretary of State any money belonging to the Secretary of State which shall then be under the control or in the hands of the Company or any of its officials or agents, and the Secretary of State shall be bound to indemnify the Company, its property and effects, against all such then existing debts and liabilities (if any) incurred by the Company, with the sanction of the Secretary of State, in relation to this Contract as would, but for the determination of this Contract, have had, under this Contract, to be fulfilled or discharged by the Company at cost which would, under this Contract, have been properly charged to capital or revenue. The Company, if required by the Secretary of State, shall, at any time after possession of any office in London of the Company shall have been under this section delivered to the Secretary of State, execute, at the cost of the Secretary of State and subject to any necessary consent, to any person nominated in that behalf by him, a proper assignment or assurance of the office last aforesaid.

(c.) The determination of this Contract shall be without prejudice to the rights of either party against the other in respect of any covenant which may have been broken previously to the determination of the Contract.

CONSTRUCTION OF LINES.

3. The Company shall with due diligence and expedition and in accordance in all respects with the directions of the Secretary of State construct on routes to be selected and determined by the Secretary of State and on land to be provided by him as hereinafter stipulated the four several lines of railway hereinafter mentioned (that is to say):—

- (1.) A line from the terminus of the West of India Portuguese Guaranteed Railway on the British Frontier via Gadak to Bellary :

- (2.) A line from Gadak to Sholapur :*

- (3.) A branch to (Bankapur) Rani-Benar : †

- (4.) A branch to Belgaum :

* This line has been carried only to Hotgi. (December 1914.)

† This alteration was made by Clause 2 of West Deccan Contract of 28th October 1885.

Together with all such stations station yards offices warehouses houses for employes machinery conveniences and works as in the opinion of the Secretary of State shall be necessary or proper for the purposes of the said lines of railway respectively either as regards the due working of the same or as regards the permanence of the same and the protection of the same from destruction or injury by inundation tempest or otherwise The railways to be constructed by the Company under this section shall be of the metre gauge and shall in general structural character conform in all respects with the now established standard of railways in India on that gauge. Designs and estimates in relation to the construction or execution of all or any of the lines of railway stations and other works to be constructed and executed under this section shall if required be furnished by the Company to the Secretary of State and be subjected to his approval or the Secretary of State may furnish designs to the Company and the Company shall in that case be bound to follow them. It is intended that the lines of railway mentioned in this section shall be called "The Southern Mahratta Railway."

NOTE.—The following lines have been added and are now deemed to be part of the projected railway under this Contract:—

Under Clause 48 of this Contract:—

- (1.) From Belgaum to Poonah.

By the Bellary Contract of 31st August 1887:—

- (2.) From Bellary to Gundakul :

- (3.) From Rani-Benar to the Mysore Railway near Hurrihur.

By the Kistna Contract of 27th February 1889:—

- (4.) From Gundakul to Bezivadu.

By Contract of 26th June 1908 (Clause 4):—

- (5.) From Gundakul via Dharmavaram and Hindupur to the frontier of the Mysore State by Yesvantpur known as the British section of the Gundakul-Yesvantpur Railway :

This line was originally taken over by the Company under Contract of 21st August 1898.

- (6.) The Bellary-Rayadrug and Hospet-Kottai Railways.

(7.) *The following railways taken over from the Madras Railway Company as from the 1st day of January 1908 :—*

By Clause 36 of the Contract of 26th June 1908 the Secretary of State may require a re-transfer of Waltair Junction and the Vizagapatam Branch.

(a.) *The portion of the East Coast State Railway from Madras to Waltair the junction station at Waltair and the branch from Waltair to Vizagapatam (all hereinafter called "the Madras-Vizagapatam Section"):*

(b.) *The sections of the Madras Railway between Arkonam and Gundakul between Madras and Bangalore and between Raichur and Gundakul:*

(8.) *The section of the South Indian Railway north of Katpadi which includes the lines from Katpadi to Gudur and from Pakala to Dharmavaram was taken over from the South Indian Railway Company Limited as from the 1st day of January 1908.*

By Contract of 12th August 1914 :—

(9.) *The Guntur-Tenali section of the railway from Guntur to Repalle (see note below as to the Tenali-Repalle section).*

All the lines worked by the Company under this Contract with the aforesaid additions are referred to as "the Company's and State Lines."

Clause 39 of the Contract of 26th June 1908 —the Bezwada-Masulipatam branch is to be constructed and worked by the Company for the Kistna Local Board.

The Tenali-Repalle section of the railway from Guntur to Repalle is to be constructed and worked by the Company for the Guntur District Board.

NOTIFICATION TO COMPANY OF ROUTE OF RAILWAYS.

4. The Secretary of State shall from time to time notify to the Company the route of the projected railway so far as such route shall from time to time have been determined by him.

SITUATION OF STATIONS &c.

5. The Secretary of State shall have power to determine the situation and dimensions of all stations station yards offices warehouses houses for employes conveniences and works to be constructed in connection with or as part of the projected railway.

AS TO CERTAIN EXISTING SURVEYS, &c.

6. The Secretary of State having caused various surveys and plans to be made and works to be executed with the view of facilitating and expediting the construction of the projected railway or some part or parts thereof will allow the Company to have the benefit of the same surveys plans and works but the Company shall discharge all the now existing obligations and liabilities of the Secretary of State under contracts for the execution of works relating to the construction of the projected railway or any part or parts thereof.

LAND, &c.

7. The Secretary of State shall from time to time provide the land which he shall consider requisite for the construction of the projected railway and for the stations station yards offices warehouses houses for employes conveniences and works necessary or proper for the purposes of the same railway and shall allow the Company to have possession of the land so provided. The Company shall from time to time with the sanction of the Secretary of State as soon as practicable go out of possession of and relinquish to the Secretary of State such of the land of which the Company shall have been allowed possession under this section as shall for the time being have become unnecessary to be retained possession of by the Company for any of the purposes of this Contract. And as often as in the opinion of the Secretary of State it shall appear to be unnecessary that the Company shall retain possession of any particular land of which the Company shall have been allowed possession under this section or of which possession shall have been allowed or delivered to the Company under any other provision in this Contract the Secretary of State shall certify such his opinion to the Company. Upon receipt of such certificate or so soon thereafter as may be the Company shall state in writing whether it acquiesces in the opinion of the Secretary of State or whether it objects thereto and if so the grounds of its objection. If no objection is stated by the Company or if the grounds of its objection (if any) are not in the opinion of the Secretary of State sufficient the Company shall upon the requisition of the Secretary of State go out of possession of the land in question and the Secretary of State shall be exclusively entitled to possession thereof.

EQUIPMENT WITH ROLLING STOCK &c.

8. The Company shall with all due speed equip the projected railway and every part thereof with rolling stock plant and machinery to the satisfaction of the Secretary of State and if the Secretary of State shall be of opinion that the Company shall at any time have failed duly to perform its obligations under this section he may himself from time to time equip or complete the equipment of the projected railway or any part thereof with the particulars or any of the particulars specified in this section.

OPENING OF THE LINES FOR TRAFFIC.

9. The Company shall from time to time when and as often as an inspecting officer acting on behalf of the Secretary of State shall have certified that any part of the projected railway is fit for the conveyance of passengers and goods and properly equipped with rolling stock plant and machinery forthwith open the same part for public traffic.

TELEGRAPHS.

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

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

12. The Company if so directed by the Secretary of State shall in working any electric telegraphs or telegraphic appliances to the use of which it shall for the time being be entitled under the section last hereinbefore contained observe the rules for the time being in force in the case of State Railway Telegraphs or such of the said rules as the Secretary of State may from time to time prescribe to be observed by the Company.

Clause 5 of Contract of 26th June 1908, which incorporated part of the Madras Railway:—

5. *The existing system of management of telegraphs on the railways forming part of the Madras Railway system shall continue in force for such time as the Secretary of State may approve and may be extended with his sanction to other portions of the Company's system.*

This system is still in force (December 1914) and has been extended as regards instruments and offices to the East Coast system.

AS TO THE MAINTENANCE AND MANAGEMENT OF THE PROJECTED RAILWAY.

13. The Company shall keep the projected railway and the stations and other works belonging thereto in good repair in good working condition and fully supplied with rolling stock plant machinery and stores to the satisfaction of the Secretary of State and whenever the Secretary of State shall be of opinion that the Company is in any default as to any of the matters before mentioned in this section he may in writing notify the fact to the Company specifying in such writing the general nature of the defect and unless the defect be remedied by the Company within one calendar month after the notification thereof by him to the Company may himself remedy it.

14. The Company shall keep the rolling stock machinery and plant for the time being belonging to the projected railway and to every part thereof in good repair and in good working condition to the satisfaction of the Secretary of State.

15. The Company shall maintain a sufficient staff to the satisfaction of the Secretary of State for the purposes of so much of the projected railway as shall for the time being have been opened for public traffic.

16. The Secretary of State may from time to time by notice in writing require the Company to carry out any alteration improvement or addition that may in his opinion be necessary for the safety of passengers or of the public or for the effectual working of the railway to be made in or to any part of the projected railway or any of the stations or works belonging thereto. Such notice shall specify the alteration improvement or addition required and shall also in

general terms describe the works to be executed for the purpose of effecting the same. On receiving any such notice the Company shall with all reasonable speed execute the works described therein the Secretary of State allowing the Company possession of any land that may be requisite for the purposes of such works. If in any case the Company shall neglect to proceed with the works prescribed in any such notice as specified in this section or fail to complete the same to the satisfaction of the Secretary of State the Secretary of State may execute the works in respect of which the Company is in default.

17. The Secretary of State may from time to time prohibit the Company from using any engine carriage waggon vehicle machine or appliance of any description whatsoever of which the use shall be declared by a duly authorised inspecting officer acting on behalf of the Secretary of State to be attended with danger to passengers or to the public and the Secretary of State may by taking possession of such engine carriage waggon vehicle machine or appliance or by such other means as he shall think fit to employ prevent the Company from using the same.

Provisions as to the Bellary Railway (from Bellary to Gundakul) added by Clause 3 of the Bellary Railway Contract of 31st August 1887:—

The Company shall throughout the Bellary Railway by laying down a third rail or otherwise make the said railway and every part thereof available for the use of broad gauge stock and shall on the request of the Secretary of State during the continuance of this Contract maintain and keep the said railway and every part thereof and all the sidings and works thereon so that the same shall be available both for broad gauge and metre gauge stock.

POLICE.

18. The Secretary of State shall provide and maintain for the purposes of so much of the projected railway as shall for the time being have been opened for public traffic such a force of police as the Company with the approval of the Secretary of State shall from time to time require with the qualification that in case of difference between the Secretary of State and the Company as to the force of police required for the preservation of law and order the determination of the question shall rest with the Secretary of State. The cost of providing and maintaining the force of police provided and maintained under this section shall as to three-tenths be borne by the Secretary of State as part of the general expenditure of the Government of India and as to the remaining seven-tenths be treated as part of the working expenses of the projected railway or of the part or parts thereof for the time being opened for public traffic.

AS TO THE USE AND WORKING OF THE PROJECTED RAILWAY AND THE CONVEYANCE OF TRAFFIC.

19. The Company shall from and after the opening for public traffic of any part of the projected railway cause to be run so many trains at such times at such rates of speed between such places and with such conveniences and accommodations as the Secretary of State shall from time to time require.

20.—(1.) *The Secretary of State shall from time to time authorise maximum and minimum rates within which the Company shall be entitled to charge the public for services rendered, by way of, or in connection with, the conveyance of passengers or goods on the undertaking, and shall prescribe the several classes and descriptions of passengers and goods to which such rates shall be respectively applicable, as well as the extent to which, within the maxima and minima so authorised, the Company may vary the said rates in respect of the distance or weight, or special conditions under which such conveyance takes place or services are rendered.* Substituted for former Clause 20 by Clause 24 of Contract of 26th June 1908.

(2.) *The Secretary of State shall give the Company not less than three calendar months' previous notice in writing of his intention to make any change in the rates or classification so authorised and prescribed, and unless the Company shall assent to such change it shall not be operative until the expiry of the said notice. Provided that when the Secretary of State shall declare that a change is necessary to meet a public emergency, it shall suffice for him to give such shorter notice as he shall consider reasonable.*

(3.) *In making charges to the public for services under this Section the Company shall not, without the special sanction of the Secretary of State, calculate the same otherwise than in accordance with the rates authorised in the manner herein prescribed, or make any reduction by rebate or otherwise that will have the effect of bringing any rate actually paid below the minimum authorised in the manner herein stated.*

(4.) *The term "goods" shall, as regards this clause, include everything conveyed on the undertaking, passengers only excepted.*

(5.) *If the Secretary of State shall in the exercise of his control over maximum and minimum rates require the Company to reduce its charges for the carriage of salt below the rates now in force, he shall pay to the Company suitable compensation for any loss thence ensuing.*

NOTE.—*The Contract of 21st August, 1898, contains the following provisions with respect to rates and charges on the British section of the Gundakul-Yestvanpur Railway:—*

" 10.—(a.) *The rates and fares charged for the conveyance of goods, coaching and passenger traffic on and over the said British section shall be subject to the general provisions of the original Contract in this behalf.*

The ordinary rates and fares charged shall be on the same mileage scale as is charged on the other lines either worked or owned by the Company. Special rates and fares shall not exceed the maximum nor be less than the minimum prescribed for the Government lines worked by the Company, and shall within these limits be introduced subject to the absolute control of the Government, when considered necessary."

"(c.) Subject to the provisions of sub-clause (a), all through rates and fares shall be divided between the said British section and the other railways worked by the Company in mileage proportion, after deducting terminals, if any."

"(d.) The same terminals shall be charged on the said section as shall for the time being be in force on the railways worked by the Company; but, except with the special sanction of the Secretary of State, no terminal charge shall exceed 3 pies per maund, nor shall be levied elsewhere than at the station of origin or the station of destination."

"11. The provisions of the preceding clause shall extend and be applicable to the remaining portion (not included in this Contract) of the said railway between the Mysore Frontier and Bangalore, if and so long as the same shall be worked by the Company, unless the Secretary of State shall sanction any modification thereof."

The whole of the Contract of 21st August, 1898, except the above extracts, was cancelled by Clause 4a of the Contract of 26th June, 1908.

21. The Secretary of State may from time to time if he shall think any alteration or improvement in the working of the projected railway or of any part thereof necessary for the safety of passengers or of the public or for the effectual working of the railway require the Company to effect such alteration or improvement.

22. All services which the Secretary of State may require the Company to perform for the Post Office the Military Department the Police Department or any other Department of State or for high Government officials (including in such services the conveyance of mails as defined by the Post Office Act or Acts for the time being in force in India the conveyance of Post Office servants when on duty the conveyance of troops and sailors military and naval establishments horses and other animals used for military purposes guns military stores and equipments the conveyance of police prisoners and paupers the conveyance of telegraph stores instruments officers and workmen and of any public stores whatever) shall be performed by the Company on the same general conditions as may for the time

See also Clause 40 of the Contract of 26th June 1908 noted below.

being be in force on State railways of the metre gauge* and at such rates as may be approved by the Secretary of State Provided that nothing in this section contained shall be construed to override the provisions contained in Section 10 respecting the grant of free passes.

*NOTES.—Clause 25 of the Contract of 26th June 1908 provides that this clause shall, as regards any parts of the railways then handed over to the Company from the Madras Railway system which are not of the metre gauge, be construed as though the gauge referred to in this clause were the gauge of such parts of the same railways.

Clause 40 of the Contract of 26th June 1908 is as follows:—

40. If the Secretary of State shall at any time or times during the continuance of the original Contract as hereby varied by notice in writing so require, the Company shall forthwith, in accordance with the practice on State Railways, provide such suitable buildings for the Postal Department of the Government, with all requisite fittings, as the Secretary of State shall require at such station or stations on any part of the Company's and State lines as may be specified in such notice. The cost of such buildings shall be deemed to be capital expenditure on the same lines and shall be provided in accordance with Clause 9 hereof and the Postal Department shall pay for such buildings a yearly rental at the rate of $7\frac{1}{2}$ per cent. of the amount of the capital expenditure thereon, exclusive of the cost or value of the land occupied by such buildings, which rental shall be deemed part of the gross earnings of the Company's and State lines and be applied accordingly.

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

24. The Company shall from time to time if so required give precedence to the demands of the Secretary of State whether for freight or passenger accommodation over all ordinary traffic.

25. All stores intended to be used for any purposes of the projected railway or any part thereof (including stores intended to be used in or about the construction of any part of the projected railway or of any works or adjuncts of or pertaining to the same) shall be conveyed by the Company over the projected railway so far as opened for public traffic at rates to be approved by the Secretary of State such rates to be not less than the actual cost of conveyance.

Sections 26 to 30 (relating to payments by the Company to the Government supply of money by the Government and interest on such payments) were cancelled by Clause 7 of the Contract of 26th June 1908. See Clauses 8 to 13, 15, 21 and 22 of that Contract for new provisions as to capital and Government Guarantee of Interest.

RECEIPTS OF COMPANY.

31. All moneys whatsoever which shall during the continuance of this Contract be received by or on behalf of the Company either in England or in India and whether on its own account or as agent of the Secretary of State or otherwise (excepting the moneys which shall be paid to the Company by the Secretary of State pursuant to this Contract excepting also the moneys which shall be paid by holders of shares in the capital of the Company in respect of their liability to contribute to the assets of the Company in regard to such shares and excepting also the moneys (if any) which shall be borrowed by the Company with the sanction of the Secretary of State) shall at such times and in such manner as the Secretary of State may from time to time direct be paid without deduction as to moneys received in England by or on behalf of the Company into the Bank of England to the credit of the Secretary of State and as to moneys received in India by or on behalf of the Company into a Government Treasury to be from time to time approved for the purpose by the Secretary of State.

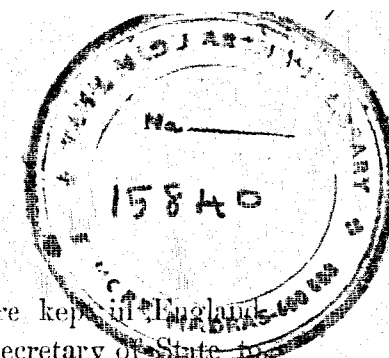
32. Of the moneys mentioned in the last preceding section and not the subject of any exception therein contained such as shall be received by or on behalf of the Company prior to the opening for public traffic of any part of the projected railway shall be treated as received on account of capital such also as shall arise from the sale of any property on any occasion other than the replacement of the property sold by other property of the same or a similar character shall be treated as received on account of capital the residue shall be treated as received on account of revenue.

ACCOUNTS.

33. The Company shall keep the following accounts—

- (1.) A Capital Account :
- (2.) A Revenue Account :
- (3.) A Stores Account :

And all such other accounts relating to the projected railway and also all such accounts as between the Company and the Secretary of State as the Secretary of State shall from time to time require and if the Secretary of State shall so require separate accounts shall be kept by the Company in respect of different sections of the projected railway. The said accounts shall be kept in such form and under such heads or divisions and with such details as the Secretary of State shall from time to time prescribe. The said accounts so far as the same are kept in India shall be kept in rupees of the Government of India and so far as they are kept in England shall be kept in



sterling money. Such of the said accounts as are kept in England shall from time to time be transmitted by the Secretary of State to the Government in India and incorporated in the accounts of the Company in India each account transmitted being for the purpose of such incorporation converted into rupees at the average rate of exchange obtained by the Secretary of State for bills payable on demand drawn on India during the half year immediately preceding that in which the incorporation is to be effected or if the Secretary of State shall not have drawn bills on India for so much as three months out of the half year immediately preceding then at the average rate obtained during the half year immediately preceding that in which the incorporation is to be effected for the best commercial bills payable on demand drawn in London on India such average rate to be decided by the Comptroller General at Calcutta of 15 rupees to the pound sterling.

Clause 5 of the West Deccan Contract of 28th October 1885.

5. If for the settlement of any transactions other than those for which specific provision is made as to the rate of exchange arising between the Secretary of State and the Company it becomes necessary to decide at what rate of exchange any sums shall be converted from Indian currency into sterling money or *vice versa* the rate to be adopted shall be the average rate of exchange obtained by the Secretary of State for bills payable on demand drawn on India in the half year in which the transactions may have occurred or if the Secretary of State shall not have drawn Bills on India for so much as three months out of the half year in which the transactions may have occurred then at the average rate obtained during the said half year for the best commercial bills payable on demand drawn in London on India such average rate to be decided by the Comptroller General at Calcutta 15 rupees to the pound sterling.

NOTES.—The alterations in the above two clauses were made as from 1st January 1903 by Contract of 8th April 1903.

The Secretary of State or the Company may determine the said ^{*Formerly} "January" Contract of 8th April 1903 on the 1st April* in any year by giving to the ^{"April" substituted by Contract of 20th May 1914.} other of the said parties in London twelve calendar months' notice of such determination and upon such determination the provisions of the above two clauses as they originally stood shall have effect as from such 1st April as if the alterations had not been made. The Contract of 8th April 1903 provides that Clause 63 of this Contract shall apply to any such notice.

See also Clause 22 of the Contract of 26th June 1908.

34. In the Capital Account the following particulars shall be entered to debit and credit respectively that is to say: To debit:—

- (a.) All expenditure by the Company in relation to this Contract which ought as between the Secretary of State ^{See note at end of this clause.}

and the Company to be treated as on account of capital including such sum as the Secretary of State may allow to be charged in respect of the expenses of and incident to the formation incorporation and management of the Company :

- (b.) The cost to the Secretary of State as certified by him of all land of which he shall allow the Company to have possession for any purposes of this Contract :
- (c.) The cost to the Secretary of State as certified by him of the said surveys and plans mentioned in the 6th Section of this Contract and of any such designs and estimates as the Secretary of State may furnish to the Company under Section 3 of this Contract including in the cost of the said surveys and plans all costs incurred by the Secretary of State with a view to procuring the same to be made. Also the fair present value as estimated by the Secretary of State of the works mentioned in the 6th Section of this Contract :
- (d.) The charges of the Government Telegraph Department for rent maintenance and inspection of such electric telegraphs and telegraphic appliances (if any) as the Secretary of State may allow the Company to use in relation to the construction of the projected railway or any part thereof :
- (e.) So much as ought pursuant to this Contract from time to time to be charged to capital in respect of the half-yearly amount to be charged by the Secretary of State under his power in that behalf hereinafter mentioned for his supervision and control of the Company :
- (f.) Any amount which the Secretary of State may from time to time require to be entered in the Capital Account in respect of the cost to him of such of his legal expenses incurred in relation to this Contract or to matters arising out of this Contract as he shall determine to be chargeable to capital :
- (g.) The cost to the Secretary of State as certified by him of all works acts and things which shall be executed or done by him under any of the provisions of this Contract provided that the cost thereof if executed or done by the Company would have been expenditure on account of capital :

And to credit:—

- (h.) The value (to be determined by the Secretary of State) of any land of which possession shall have been allowed

by the Secretary of State to the Company for the purposes of this Contract and which shall subsequently be relinquished to the Secretary of State under Section 7 herein before contained :

- (i.) All such of the moneys to be received by or on behalf of the Company as are herein provided to be treated as received on account of capital.

NOTE.—*Clause 7 of the Bellary Contract of 31st August, 1887 provides that the Company shall in respect of the Bellary Railway be debited in India in the above Capital Account "with 30 lacs of rupees as if that sum had been expended by the Company in the construction of that railway as well as with the amount that shall be expended by the Company with the sanction of the Secretary of State for the construction of works contemplated in Section 3" of the Bellary Contract (i.e. making the railway available for broad gauge stock—the said Section 3 is shewn at the end of Clause 17 above).*

Clause 9 of the Kistna Contract of 27th February 1889 provides that the amount expended by the Secretary of State up to the 1st day of January 1888 upon or in respect of the Kistna Railway, including all liability on orders given out to dealers and manufacturers for stores and for wages unpaid and all other liabilities outstanding at that date shall be certified by the Secretary of State and the said amount shall for the purposes of account be carried to debit in the Capital Account but so nevertheless that the said amount shall not nor shall any part thereof bear interest under Section 30 of this contract of 1st June, 1882. (The said Section 30 was cancelled by the Contract of 26th June 1908.)

35. The Capital Account shall from time to time as the Secretary of State shall require be made up and the balance thereon ascertained and stated therein. The Secretary of State may from time to time audit the Capital Account and correct errors therein as he shall see fit.

36. The Revenue Account shall contain an account of all such of the moneys to be received by or on behalf of the Company as are herein provided to be treated as received on account of revenue and of all expenditure which ought conformably with this Contract to be treated as on account of revenue. The Revenue Account shall be made up half-yearly to the 30th of September and the 31st of March in each year or to such other days as the Secretary of State may from time to time prescribe and shall be regularly submitted by the Company to the Secretary of State who may audit the same either concurrently with or after expenditure or in both ways as he may think fit and may in case of error being discovered therein correct the same within three calendar months after the account containing such

Months altered from June and December by Contract of 20th May 1914.

error shall have been submitted to him. Every Revenue Account shall be considered as settled at the expiration of three calendar months after the same shall have been submitted to the Secretary of State but nevertheless any error which may subsequently be discovered therein shall be corrected in the then next Revenue Account or in any subsequent Revenue Account or Accounts as the Secretary of State may determine.

37. As soon as possible after the 30th of *September* and the 31st of *March* in each year or the respective half-yearly days which the Secretary of State may from time to time prescribe for the making up of the Revenue Account the Company shall make up and deliver to the Secretary of State an account of all stores in hand on the half-yearly day immediately preceding the making up of the account now being directed and of all stores which the Company shall for the purposes of fulfilling this Contract have used since as regards the first occasion of making up an account of stores the date of this Contract and since as regards each other occasion of making up an account of stores the date to which the Stores Account was last previously made up showing the purposes for which such stores have been used. As often as any of the stores in hand shall be used by the Company for the purposes of fulfilling this Contract the value of the stores so used as entered in the books of the Company shall be entered in the Capital Account or in the Revenue Account as may be proper. The Stores Account shall besides being made up periodically as above mentioned be made up and balanced from time to time upon the requisition of the Secretary of State.

38. The stores in hand shall be valued at such time or times as the Secretary of State shall direct and in such manner as shall from time to time be agreed upon by the Secretary of State and the Company and the value of the stores in hand as entered in the books of the Company shall be corrected in accordance with such valuation and all necessary adjustments shall be thereupon made by making entries to debit or credit in the Revenue Account as may be proper.

APPROPRIATION OF EXPENDITURE.

39. In any case where any question may or might arise as to whether any expenditure incurred in relation to the projected railway or otherwise is to be treated in the whole or in part as a charge on Capital Account or how the same is to be dealt with the question shall be determined on the general principle that capital is to bear the cost of new works of additional rolling stock plant and machinery and of improvements of and additions to old works rolling stock plant and

machinery including the cost of any temporary new work the construction of which is requisite for the construction of a work properly chargeable to capital and that the cost of repairs restorations renewals replacements and substitutions is to be borne by revenue except in cases where repairs restorations renewals replacements or substitutions are effected prior to the opening for public traffic of the portion of the projected railway upon or in respect of which the same are effected in which case the cost thereof is to be chargeable to capital: Provided always that any item of expenditure incurred in respect to any part which shall have been opened for public traffic of the projected railway (although under the terms in this section before contained in strictness chargeable to capital) shall from time to time if not exceeding the sum of 1,000 rupees and may from time to time at the absolute discretion of the Secretary of State if exceeding 1,000 rupees but not exceeding 2,000 rupees (but so that the aggregate expenditure charged to revenue on account of such last mentioned items shall not exceed (45,000) 23,000 rupees in any half-year) be charged to revenue: Provided also that after the opening throughout for public traffic of all the four several lines of railway specified in the 3rd Section of this Contract no portion of the salaries or allowances of any of the Company's permanent supervising staff although for the time being employed partly or wholly in directing or superintending work the expenditure on which is properly chargeable to capital shall except with the express sanction of the Secretary of State be treated as chargeable to capital and also that after the opening throughout for public traffic of the whole of the four several lines of railway last aforesaid no expenses connected with the engagement from England or with the passage from or to England of any person in the Company's service shall be treated as chargeable to capital unless such person shall be specially engaged to carry out work the cost of which is expenditure so chargeable and shall be actually employed upon such work. Nevertheless the cost of construction of any of the lines mentioned in the 48th Section of this Contract shall be borne by capital to the same extent and in the same manner as if the proviso last hereinbefore contained had not been inserted in this Contract.

NOTE.—The figures in *Italics* are alterations made on account of West Deccan Contract of 28th October 1885.

40. If any difference shall arise between the Secretary of State and the Company as to whether expenditure shall in any particular case be charged to capital or charged to revenue the matter in difference shall unless according to the terms of the section last hereinbefore contained to be solely decided or determined by the Secretary of State be referred to the decision of the Joint Auditor if the Secretary of State and the Company shall have appointed such an officer but in case a Joint Auditor shall not have been appointed then the matter in difference shall be referred for final decision to the Company's Auditor or some other person to be named by the Company and a Government Examiner of Railway Accounts or

some other person to be named by the Secretary of State or to an umpire to be named by the referees acting on behalf of the Company and the Secretary of State respectively in case of difference between such referees. The costs of any reference under this section shall unless the Secretary of State shall otherwise direct be treated as working expenses.

WORKING EXPENSES.

41. All costs and expenses incurred by the Company with the sanction of the Secretary of State in or about or in connection with the maintenance management and working of the projected railway so as the expenditure be not incurred prior to the opening of some part thereof for public traffic shall be deemed working expenses. All working expenses shall be chargeable to revenue.

In the working expenses there shall be included:—

- (1.) Such sum or sums of money as shall from time to time be agreed upon between the Secretary of State and the Company as proper to be allowed in respect of the rent of the Company's office in London office expenses Directors' fees and salaries of clerks and servants except so much (if any) of the sum or sums mentioned in this sub-section as the Secretary of State shall especially determine to be chargeable to capital:
- (2.) The costs of and incidental to the preparation of the returns and statistics mentioned in the 58th Section of this Contract:
- (3.) So much of the cost of providing and maintaining a police force agreeably to this Contract as is not under the terms of this Contract to be borne by the Secretary of State as part of the general expenditure of the Government of India:
- (4.) All expenditure incurred by the Company with the sanction of the Secretary of State or by the Secretary of State in keeping so much of the projected railway as shall have been opened for public traffic and the stations and other works belonging thereto in good repair and in good working condition and supplied with rolling stock machinery and plant except such part (if any) of the expenditure mentioned in this sub-section as shall be properly treated as chargeable to capital:
- (5.) All expenditure incurred by the Company with the sanction of the Secretary of State or by the Secretary of State in keeping the rolling stock machinery and plant

belonging to so much of the projected railway as shall have been opened for public traffic in good repair and in good working condition:

- (6.) All expenditure incurred by the Company with the sanction of the Secretary of State or by the Secretary of State in the execution of any works of which the cost shall be chargeable to revenue:
- (7.) So much as ought pursuant to this Contract from time to time to be charged to revenue in respect of the half-yearly amounts to be charged by the Secretary of State under his power in that behalf hereinafter mentioned for his supervision and control of the Company:
- (8.) The charges of the Government Telegraph Department for rent maintenance and inspection of the telegraphs and telegraphic appliances from time to time provided under the 11th Section of this Contract for the use of the Company:
- (8a.) *All moneys from time to time contributed by the Company under the rules for the time being in force of the Company's Provident Institution to or for the purposes of that Institution:* Added by Clause 14a of the Contract of 26th June 1908.
- (9.) All reasonable legal expenses whether incurred by the Secretary of State or by the Company and all such other expenses as the Secretary of State shall require or allow to be treated as working expenses.

AS TO THE APPLICATION OF RECEIPTS.

42. *Subject to the payment to the South Indian Railway Company Limited mentioned in Clause 29 of the Contract of 26th June 1908 and also to the payment to that Company and to the Kistna District Board respectively of the rebates referred to in Clauses 30 and 39 of the last mentioned Contract respectively and subject to the payment to the Guntur District Board of any rebate to which such Board may be entitled under the arrangements between such Board and the Company as to the working by the Company of the Tenali-Repalle section of the railway from Guntur to Repalle, of the moneys to be received by or on behalf of the Company in each half-year during the continuance of this Contract such as are pursuant to this Contract to be treated as received on account of revenue shall be applied in the first place in or towards the discharge of expenditure attributable to revenue as follows (that is to say):—*

- (1.) Primarily in or towards the discharge of expenditure attributable to the half-year to which the receipts relate and

- (2.) Secondly in or towards the discharge of expenditure attributable to any previous half-year or half-years and not already discharged out of receipts on account of revenue and

Sub-clauses (3) and (4) substituted for original Sub-clauses (3) (4) and (5) by Clause 17 of the Contract of 26th June 1908 as amended by Clause 1 (c) of Contract of 20th May 1914.

- (3.) In the next place in payment of the equivalent in rupees of the interest for the half-year to which the receipts relate which shall have been paid or shall be payable by the Secretary of State to the Company in respect of the Company's debentures and debenture stock (except the £1,200,000 debenture stock created under the Contract of 31st August 1887 relating to the Mysore State Railway) issued with the sanction of the Secretary of State for the purpose of capital expenditure on the Company's and State lines which shall for the time being be outstanding:

Clause 21 of the Contract of 26th June 1908 enables the Secretary of State to retain out of the share of surplus receipts payable to the Company under this clause the guaranteed interest on capital stock of the Company paid or payable by the Secretary of State under Clause 15 of that Contract.

- (4.) The surplus (if any) shall subject to Clause 12 of the Contract of 26th June 1908 be divided between the Secretary of State and the Company in proportion to the respective shares in which the capital for the time being of the Company's and State lines (exclusive of debenture capital) shall have been contributed by them.

NOTE.—Clause 12 of the Contract of 26th June 1908 is as follows:—

12. If any further debentures or debenture stock or capital stock of the Company shall be issued at a premium the amount of such premium shall be paid to the Secretary of State and used for the purpose of capital expenditure on the Company's and State lines, but the amount of the increase of the Company's share in the surplus receipts of the same lines shall be calculated by reference to the increase in the nominal amount only of such capital stock.

Clause 18 of Contract of 26th June 1908.

NOTE.—The gross receipts of the British section of the Guntakul-Yesvandpur and of the Bellary-Rayadrug and Hospet-Kuttur Railways shall as from the 1st day of July 1908 be dealt with as part of the receipts referred to in this clause. So also shall the receipts of the Guntur-Tenali section of the railway from Guntur to Repalle and any share of the gross or net earnings of the Tenali-Repalle section of that railway under the arrangements between the Guntur District Board and the Company as to the working by the Company of the last mentioned section.

Clause 4 of Contract of 12th August 1914.

NOTE.—Clauses 28, 29, 30 and 39 of the Contract of 26th June 1908 (as amended by Contract of 16th March 1911) are as follows:—

28. As from the 1st of January 1908, the South Indian Railway Company Limited, or other the railway administration for the time being working the Jalarpet-Mangalore section of the Madras Railway Company which has been handed over to the South Indian Railway Company

Limited as aforesaid, may exercise running powers over the whole or any part of the Madras-Bangalore section of the Madras Railway Company which has been handed over to the Company as aforesaid for both coaching and goods traffic interchanged between the Jalarpet-Mangalore section and the Madras-Bangalore section.

29. The South Indian Railway Company Limited or such other railway administration as aforesaid shall receive as payment for haulage 25 per cent. of the gross earnings derived by the Madras-Bangalore section from all traffic carried over that section in the trains of the South Indian Railway Company Limited or such other railway administration as aforesaid.

30. The South Indian Railway Company Limited, or such other railway administration as aforesaid, shall be entitled (in addition to the payment for haulage under the last preceding clause hereof) to a rebate of 25 per cent. of the gross earnings derived by the Madras-Bangalore section from the traffic interchanged between that section and the Jalarpet-Mangalore section via Jalarpet Junction within the meaning of the agreement contained in the documents mentioned in the schedule hereto.

39. The Company shall, as regards the Bezvada-Masuliputam Branch Railway which has been agreed to be constructed and worked by the Company for the Kistna Local Board, pay to the said Local Board in respect of and at the end of each calendar year, commencing at the opening of the same railway, by way of rebate, such a sum not exceeding in any year 10 per cent. of the share attributable to the Company's railway system of the gross earnings from traffic, except stores, interchanged between the Company's railway system and the said Branch Railway, as shall, together with the net earnings of the said Branch Railway for such year, make up an amount equal to interest for the year at the rate of $3\frac{1}{2}$ per cent. on the actual expenditure charged in its capital account. The moneys to be paid under this clause shall be calculated at the close of each year, but moneys may be paid at the close of the first half of each year on account, and subject to adjustment at the close of the year.

AS TO RUNNING POWERS AND OTHER FACILITIES AND ACCOMMODATION FOR OTHER RAILWAY COMPANIES AND STATE RAILWAYS.

Clauses 43, 44, 46 and 47 were cancelled by Clause 27 of the Contract of 26th June 1908 and the following clause substituted for them:—

The Secretary of State may from time to time, when he shall be of opinion that it is desirable so to do for the public convenience, require the Company to enter into, and on the request of the Company will assist them in entering into, agreements upon reasonable terms as to payments, and under reasonable conditions and restrictions, with the administrations of

any other railway or railways having junctions with the Company's system for the following purposes or any of them :—

- (a.) For allowing the use of the railways or any parts of the railways respectively worked by them, such railways being of the same gauge, for the passage of one another's engines and trains :
- (b.) For the supply to one another of any rolling-stock which shall not be required for their own purposes respectively :
- (c.) For the interchange of traffic and rolling stock, and the settlement and apportionment of through rates and charges for interchanged traffic :
- (d.) For additions or alterations to or for the redistribution of existing accommodation in junctions or other stations and their appliances in view to their convenient use for the accommodation of one another's traffic, rolling stock or working staff.

45. The Secretary of State may from time to time require the Company to execute work in its workshops in respect of rolling stock and machinery belonging to State Railways at such reasonable prices and upon such terms as shall be agreed upon between the Secretary of State and the Company but so nevertheless as not to impede or unduly interfere with the ordinary operations of the Company as carried on therein.

NOTE.—See Clauses 28 to 40 of the Contract of 26th June 1908 for other provisions for:—

- (a.) Facilities to be given to other railways :
- (b.) Conversion of gauge of the Guntakul-Bangalore line :
- (c.) Right of the Secretary of State to call for transfer of the
* Bangalore-Nanjangud section to the South Indian Railway Company Limited and to call for a re-transfer of the Waltair Junction Station and the Vizagapatam Branch :
- (d.) Provision of buildings for the Postal Departments.

*This section is under the Mysore State Contract.

AS TO THE CONSTRUCTION OF EXTENSIONS.

48. The Secretary of State may at any time or times during the continuance of this Contract unless and until he shall under the provisions hereinafter contained have given notice to the Company of the determination by him of this Contract require the Company to construct all or any of the following lines of railway (that is to say):—

- (1.) An extension from Belgaum to join the Great Indian Peninsular Railway at or east of Poonah :

(2.) A branch to Karwar :*

(3.) A branch to Hurrihar.

* This branch has not yet been constructed (December 1914).

And as from the time when and as often as the Secretary of State shall under this section have required the Company to construct any of the lines of railway last aforesaid the Company shall in addition to its other obligations and liabilities be under all such obligations and liabilities as it would have been subject to under this Contract if the line or lines of railway under this section required to be constructed had by the 3rd Section of this Contract been provided to be constructed in addition to the lines of railway in such section specified. And all the provisions of the 3rd Section of this Contract shall apply *mutatis mutandis* in respect of any line or lines of railway which shall under this section be required to be constructed: Provided that if the Secretary of State shall require the Company to construct a branch to Karwar the Company shall have the benefit of an existing survey made on behalf of the Secretary of State of a line of railway from Karwar to Hubli: Provided also that if and as often as the Secretary of State shall at the time when he shall require the Company to construct any extension or branch mentioned in this section have caused any surveys or plans to be made (other than the surveys before mentioned in this section) or works to be executed with the view of facilitating or expediting the construction of the same extension or branch he shall allow the Company to have the benefit of the same surveys plans and works respectively and upon the Company becoming entitled under this section to the benefit of the existing survey in this section mentioned or of any other surveys or any plans or works the cost to the Secretary of State (as certified by him) of the survey or surveys plans or works to the benefit whereof the Company shall from time to time become entitled under the provisions of this section (including as regards all surveys and plans the cost to the Secretary of State of procuring the same to be made) shall be entered to debit in the Capital Account.

CONSTRUCTION ACQUISITION AND WORKING OF AUXILIARY OR BRANCH RAILWAYS.

49. The Secretary of State may require the Company on such terms and conditions as shall be agreed upon between himself and the Company in each case to construct or acquire either absolutely or on lease for a term of years or otherwise any railway on the metre gauge convenient to be worked as auxiliary to or in connection with the projected railway or any part of it and to work on such terms and conditions as may in each case be agreed upon between the Secretary of State and the Company any railway so constructed or acquired as mentioned in this section or any other railway on the metre gauge convenient to be worked as auxiliary to or in connection with the projected railway or any part of it.

THE COMPANY TO COMPLY WITH THE REQUIREMENTS OF THE SECRETARY OF STATE.

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

AS TO THE SUPERVISION AND CONTROL OF THE SECRETARY OF STATE AND THE APPOINTMENT OF A GOVERNMENT DIRECTOR.

51. In all matters not herein specially provided for relating to the fulfilment and performance by the Company of this Contract so far as to be fulfilled or performed by the Company the Company shall be subject to the supervision and control of the Secretary of State. The Secretary of State shall be entitled to make a charge half-yearly for his supervision and control of the Company. The said half-yearly charge shall be a mileage rate of 40 rupees for every mile of the projected railway so far as the time being either constructed or under construction. The half-yearly charge to be made by the Secretary of State under this section shall be charged to capital so far as made prior to the opening for public traffic of any part of the projected railway and as from the time when any part of the projected railway shall have been opened for public traffic until the whole thereof shall have been so opened the half-yearly charge under this section shall from time to time be apportioned between revenue and capital in such manner as that so much of the half-yearly charge as bears the same proportion to the entirety thereof as the length of railway opened for public traffic at the time when the half-yearly charge is made bears to the whole length of railway on which the same charge is to be calculated shall be charged to revenue and that the residue thereof shall be charged to capital. As from the time when the whole of the projected railway shall have been opened for public traffic the half-yearly charge to be made by the Secretary of State under this section shall be charged to revenue exclusively.

52. For the purpose of inspecting the railways and works to be executed by the Company under this Contract either whilst under construction or subsequently and of inspecting the projected railway and the stations and other works rolling stock plant machinery and stores to belong thereto and the electric telegraphs and telegraphic appliances for the time being provided under this Contract for the use of the Company and for the purpose of auditing the accounts of the Company or otherwise exercising such supervision and control as are intended to be reserved to the Secretary of State by this Contract the Secretary of State may from time to time appoint such person or persons as he may think proper with such powers as he may consider necessary or expedient and the Company shall

afford every person so appointed all reasonable facilities for the purpose of enabling him to perform the duties entrusted to him by the Secretary of State.

53. The Company shall record and keep in proper books full and particular accounts of all its transactions and proceedings including full and true minutes of all its meetings meetings of Directors communications with India and correspondence so as at all times to exhibit fully and truly the state of its affairs and the Secretary of State or any person or persons appointed by him in that behalf shall at all reasonable times have free access to all the books accounts papers and documents of the Company with power to call for and make copies of or extracts from the same.

54. The Secretary of State may from time to time appoint any one person to be a Director of the Company. The Government Director shall be *ex officio* a member of all Committees appointed by the Board of Directors of the Company or by the Company in relation to the projected railway or any matter connected therewith and he may moreover exercise at his discretion an absolute veto in all proceedings whatever at the Board of Directors. The Government Director shall not be removable except by the Secretary of State. The Secretary of State may from time to time as often as occasion shall require appoint a person to represent the Government Director at any meeting of the Board of Directors or at any Committee meeting at which the Government Director may not be present and the person so appointed shall have all such rights and may exercise all such powers as the Government Director if present would have had or might have exercised.

MISCELLANEOUS PROVISIONS.

55. The Company shall not during the continuance of this Contract without the sanction of the Secretary of State in writing first obtained engage in or carry on any business other than the business provided by this Contract to be carried on by the Company or borrow any money or increase or reduce its capital.

56. The Company shall not during the continuance of this Contract alter vary or add to its Articles of Association without the sanction of the Secretary of State.

57. The Company shall not during the continuance of this Contract without the sanction of the Secretary of State in writing first obtained acquire any property in India. If the Company shall in contravention of this section acquire any property such property shall not be disposed of by the Company without the sanction in writing of the Secretary of State and the Secretary of State may at

any time during the continuance of this Contract or within one calendar month after the determination thereof purchase such property from the Company at the price actually paid by the Company for the same and if the purchase money shall be paid to the Company during the continuance of this Contract the expenditure shall be carried to Capital Account.

58. The Company shall from time to time make such returns and furnish such statistics in such form and under such heads and divisions and with such details as the Secretary of State may from time to time require. The cost of preparing such returns and statistics and incidental thereto shall be treated as part of the working expenses of the projected railway.

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

60. No claim shall be made upon the Secretary of State by the Company for compensation in respect of any act of the Indian Legislature of general applicability by reason of its prejudicially affecting the projected railway or the profits thereof.

61. The Company may if it shall think it expedient and shall if required by the Secretary of State at any time after the opening for public traffic of any part of the projected railway maintain and manage a Provident Institution and a Savings Bank for the benefit of the servants of the Company upon such terms and under such rules and regulations as shall from time to time be approved by the Secretary of State.

62. The Secretary of State may at any time after the whole of the four several lines of railway specified in the 3rd Section of this Contract shall have been opened throughout for public traffic require the Company to establish and maintain out of contributions from revenue and on terms to be agreed upon between the Secretary of State and the Company Reserve Funds for the purposes of insuring property whether appropriated to the projected railway or in the custody of the Company as common carriers or in any other capacity against damage by fire and of making good deteriorations of permanent way and rolling stock.

63. Any notice determination decision direction requirement requisition appointment certificate or expression of opinion approved or sanction to be given or signified on the part of the Secretary of State for any of the purposes of or in relation to this Contract or any of the powers or provisions herein contained shall be sufficient and binding if in writing signed by the Secretary of State or one of his

Under-Secretaries or by a Secretary of the Government of Bombay or by any other officer or servant authorised to act on behalf of the Secretary of State in respect of the matters to which the same shall relate and the Secretary of State shall not in any case be bound in respect of any of the matters aforesaid unless by some writing signed in the manner before mentioned in this section.

64. The Company shall at all times during the continuance of this Contract keep an office established at some place in India to be determined from time to time by the Secretary of State and shall keep at the said office an authorised Agent or Committee of Agency with whom the Secretary of State and the Government of India or other officer or officers deputed in that behalf may communicate on affairs concerning this Contract and the duties and liabilities of the parties hereto under this Contract and all drafts drawn and receipts given by the said Agent or Committee of Agency or under his or their authority on behalf of the Company in relation to this Contract or any of the duties or liabilities of the Company under this Contract shall be binding on the Company and every notice to be given to the Company (save any notice with respect to the determination of this Contract as hereinafter provided) shall be sufficiently given if left at the said office or personally served on the said Agent or any member of the said Committee of Agency.

AS TO THE TERMINATION AND EXPIRATION OF THE CONTRACT AND REPAYMENTS TO COMPANY.

Clauses 65 and 66 cancelled by Clause 2 of the Contract of 26th June 1908 and Clause 2 (supra) substituted therefor.

67. All land of which the Secretary of State shall allow the Company to have possession for any of the purposes of this Contract and everything to be constructed thereon and all rails plant machinery rolling stock stores fixtures and implements of every description acquired by the Company for the purpose of constructing maintaining equipping keeping up the equipment of or working the projected railway or any part thereof or any stations station yards offices warehouses houses for employes or works upon any land of which the Secretary of State shall so allow the Company to have possession as aforesaid or for any other purposes of the projected railway are hereby declared to be respectively the property of the Secretary of State. The Company shall not be entitled to any remuneration from the Secretary of State in respect of its services under this Contract.

68. Upon the termination of this Contract the Secretary of State shall pay to the Company in London a sum equal to the nominal amount:—

(i.) Of the Company's existing capital stock of £3,500,000:

Substituted for the original Clause 68 by Clause 23 of Contract of 26th June 1908.

(ii.) *Of any capital stock which shall have been issued by the Company at the request of the Secretary of State under Clause 8 of the Contract of 26th June 1908; and*

(iii.) *Of any additional capital stock which shall have been issued with the sanction of the Secretary of State for the purposes of the Company's and State lines and in respect of which full payment shall have been made to his credit under Clause 9 of the Contract of 26th June 1908.*

ARBITRATION.

69. If any dispute question or controversy shall at any time arise between the Secretary of State and the Company touching this Contract *or the West Deccan Contract* or any clause or thing herein contained or the construction hereof or any matter connected with this Contract *or the West Deccan Contract* or the operation of the same or the rights duties or liabilities of either party in relation to the premises then and in every such case the matter in difference shall be referred to two Arbitrators or their Umpire pursuant to and so as with regard to the mode and consequences of the reference and in all other respects to conform to the provisions in that behalf contained in the Common Law Procedure Act 1854 or any subsisting statutory modification thereof and upon every such reference the Arbitrators and Umpire shall respectively have power to examine witnesses upon oath or affirmation and either to fix settle and determine the amount of costs of the reference and award respectively or incidental thereto to be paid by both parties or by either party or to direct the same to be taxed either as between solicitor and client or otherwise and to direct and award where and by and to whom such costs shall be paid and every or any such reference may be made a rule of Her Majesty's High Court of Justice or of the High Court of Judicature at Bombay on the application of the Secretary of State or of the Company and either the Secretary of State or the Company may instruct counsel to consent thereto for the other party.

In witness whereof Lieutenant General Richard Strachey Companion of the Most Exalted Order of the Star of India and Andrew Cassels Esquire being two Members of the Council of India have hereunto set their hands and seals and The Southern Mahratta Railway Company Limited have hereunto caused their common seal to be affixed the day and year first above written.

Signed Sealed and Delivered
by the above named Lieutenant
General Richard Strachey and
Andrew Cassels Esquire being
two Members of the Council of
India in the presence of

H. TREASURE
India Office S.W.
Solicitor.

R. STRACHEY.

L.S.

ANDREW CASSELS.

L.S.

NOTE:—The words in *Italics* are alterations made on account of the West Deccan Contract of 28th October 1885, the provisions whereof are now incorporated in this print.

The Common Seal of the
Southern Mahratta Railway
Company Limited was here-
unto affixed in the presence of

HENRY GREEN } Directors.
FRED FRANCIS }
EDW. Z. THORNTON Secretary.



1st JUNE 1882.

THE SECRETARY OF STATE
IN COUNCIL

AND

THE *MADRAS AND SOUTHERN*
MAHRATTA RAILWAY
COMPANY, LIMITED.

Contract

AS TO CONSTRUCTION MAINTENANCE MANA-
GEMENT AND WORKING BY THE *MADRAS AND*
SOUTHERN MAHRATTA RAILWAY COM-
PANY LIMITED OF *THOSE PARTS OF THE*
MADRAS AND SOUTHERN MAHRATTA
RAILWAY KNOWN AS "*THE COMPANY'S*
AND STATE LINES" (AS AMENDED BY
SUBSEQUENT CONTRACTS UP TO AND
INCLUDING THE CONTRACT DATED THE
12th AUGUST 1914.

62

31st August 1887.

The *Madras and Southern Mahratta*
Railway Company Limited.

Contract

WITH

THE SECRETARY OF STATE IN COUNCIL
OF INDIA

FOR THE

CONSTRUCTION OF AN EXTENSION OF AND
THE MAINTENANCE AND WORKING OF *THE*
MYSORE STATE LINES.

(As amended by subsequent Contracts up to the end of
the year 1914).

NOTE.—*The parts in which alterations made by subsequent Contracts are incorporated, are printed in italics.*

This Indenture made the 31st day of August 1887
between THE SECRETARY OF STATE IN COUNCIL
OF INDIA (hereinafter called the Secretary of State) of the
one part and THE SOUTHERN MAHRATTA RAILWAY
COMPANY LIMITED (hereinafter called the Company) of
the other part.

Stamp
10s.

The name of the Company was altered to "The Madras and Southern Mahratta Railway Company, Limited," in January, 1908.

WHEREAS by several Indentures* dated respectively the 1st day of June 1882 the 28th day of October 1885 and the 31st day of August 1887 and made between the Secretary of State of the one part and the Company of the other part the Company contracted with the Secretary of State for the construction maintenance and working by the Company of certain lines of railway and for the maintenance and working of other lines of railway in the said Indentures respectively mentioned upon the terms and conditions and with and subject to the powers and provisions in the said Indentures contained and the said lines of railway have in part been completed and opened for traffic.

**These Indenture and subsequent Contracts amending them relate to "the Company's and State Lines."*

AND WHEREAS in pursuance of an arrangement between the Secretary of State and the Maharaja of the Native State of Mysore and for the purposes of this Contract the Maharaja transferred as from the 30th June 1886 to the Secretary of State a railway which has been constructed and opened for traffic between the City of Mysore and Gubbi in the said State with the stations and works and the rolling stock plant machinery and stores belonging thereto and also all the land required for the construction of an extension of the said railway to form a junction with the Southern Mahratta Railway near Hurrihur so far as the same lies within the said State of Mysore to the intent that the said extension may be constructed and the said railway and (when completed) the extension thereof may be maintained and worked by the Secretary of State or his nominees and under the said arrangement a sum of Rupees 68,60,508 (subject to verification) has been spent up to the date of transfer and has become payable to the Maharaja as the consideration for the said transfer.

AND WHEREAS it is estimated that the cost of the said extension of the last-mentioned railway will not exceed (together with the amount so as aforesaid payable to the Maharaja) a sum equivalent to the sum of £1,224,000.

AND WHEREAS it has been agreed between the Secretary of State and the Company that the Company shall construct the said extension of the last-mentioned railway and shall maintain and work the same railway and also the said extension thereof when completed upon the terms and conditions hereinafter expressed and as an entirely separate and distinct undertaking from the railways mentioned in the said Indentures of the 1st day of June 1882 the 28th day of October 1885 and the 31st day of August 1887.

AND WHEREAS the Company have with the sanction of the Secretary of State issued debenture stock on the 1st day of March 1886 for the nominal amount of £1,200,000 not redeemable before the 1st day of March 1936 but redeemable after that date at par upon one year's previous notice being given in the *London Gazette* by the Secretary of State and carrying interest at the rate of 4 per cent. per annum payable on the 1st day of April and the 1st day of October in each year.

AND WHEREAS the said debenture stock was issued at a premium of £2 for every £100 and the Company have received in respect of the said debenture stock the sum of £1,224,000 and have paid the same into the Bank of England to the credit of the Secretary of State.

AND WHEREAS in addition to the sum of Rs. 68,60,508 (subject to verification as aforesaid) capital outlay on the undertaking up to the 30th June 1886 payable by the Secretary of State to the Maharaja of Mysore as the consideration for the said transfer divers other sums may have been expended by or on behalf of the Secretary of State in respect of the railway so transferred which are properly chargeable to capital.

NOW THIS INDENTURE WITNESSETH and it is hereby agreed and declared as follows—

1. In this Contract—

The expression "the original Contract" means the Contract subsisting between the Secretary of State and the Company under or by virtue of the hereinbefore mentioned Indentures of the 1st day of June 1882 the 28th day of October 1885 and the 31st day of August 1887:

The expression "the original railways" means the several lines of railway which by the original Contract the Company agreed to construct maintain and work or to maintain and work:

NOTE.—The expression "the Company's and State lines" means the original railways and other railways added by contracts supplemental to the original Contract:

See Clause 4 of Contract of 26th June 1908 and Note to Clause 3 of Contract of 1st June 1892.

The expression "the Mysore Railway" means the line of railway from Mysore to Gubbi:

The expression "the projected railway" means the line of railway which it is agreed to construct under the 7th Section of this Contract:

The expression "the undertaking" means the Mysore Railway and the projected railway with any improvements alterations and additions of whatever description which may from time to time be made in or to the same railways or either of them by or with the sanction of the Secretary of State but with the exception of the telegraphs and telegraphic appliances used or to be used thereon:

The expression "the Mysore State lines" means the railway worked under this Contract and the Birur-Shimoga the Hindupur the Mysore-Nanjangud and the Kolar Goldfields Railways: *See Clause 6 of the Contract of 26th June 1908.*

NOTE.—See Clauses 35 and 37 of the Contract of 26th June 1908 (inserted below in this Contract after Clause 54) for power of the Secretary of State to require transfer of the Bangalore-Nanjangud Section to the South Indian Railway Company Limited.

The expression "the prescribed rate of exchange" means the rate of exchange at which for the purposes of this Contract sterling money (whether capital or revenue) is to be converted into rupees or rupees into sterling money and shall be ~~the average rate of exchange obtained by the Secretary of State for bills payable on demand drawn on India during the half year ended the 30th June or 31st December as the case may be immediately preceding that in which the conversion is from time to time to be effected or is to be deemed to be effected or if the Secretary of State shall not have drawn bills on India for so much as three months out of the half year as aforesaid immediately preceding then at the average rate obtained during the half year as aforesaid immediately preceding that in which the conversion is to be effected or is to be deemed to be effected for the best commercial bills drawn in London on India such average rate to be decided by the Comptroller-General at Calcutta the rate of 15 rupees to the pound sterling:~~

NOTE.—The above alteration in the rate of exchange was made as from 1st January 1903 by Contract of 8th April 1903.

The Secretary of State or the Company may determine the said Contract of 8th April 1903 on the *1st April in any year by giving to the other of the said parties in London twelve **Formerly "January." "April" substituted by Contract of 20th May 1914.*

calendar months' notice of such determination and upon such determination the provisions of the above definition as it originally stood shall have effect as from such 1st April as if the alteration had not been made.

The expression "Debenture Stock" includes Debenture Bonds.

DURATION OF CONTRACT.

Clause 2 deleted by Clause 3 of Contract of 26th June 1908. See Clause 72 of this Contract and Clause 2 (as amended) of the Contract of 1st June 1882.

AS TO HANDING THE MYSORE RAILWAY OVER TO THE COMPANY AND MATTERS CONNECTED THEREWITH.

3. The Secretary of State having handed over to the Company as from the 30th day of June 1886 for the purposes of this Contract the Mysore Railway together with all works connected therewith then completed or in progress and the land on which the said railway and works are constructed or are in course of construction and the rolling stock plant and machinery then used thereon or appropriated or in course of construction therefor together with copies of all plans specifications and working drawings in the possession of the Secretary of State of the said works and rolling stock and other equipments of the railway but with the exception of the telegraphs and all telegraphic appliances belonging to the said railway shall subject to the provisions as to relinquishment of land contained in the 11th Section of this Contract during the continuance of this Contract and for the purposes thereof allow the Company to retain and have possession of the railway works land and premises so to be handed over as aforesaid.

4. As from the 30th day of June 1886 the Secretary of State has delivered to the Company and the Company has accepted for the purposes of this Contract all stores belonging to the Mysore Railway that were in hand or in course of delivery on the said 30th day of June 1886.

5. An inventory of the railway rolling stock plant and machinery so handed over as aforesaid as on the 30th day of June 1886 shall be made and signed on behalf of the Secretary of State and the Company.

6. The Mysore Railway and (after the same shall have been constructed) the extension thereof hereinafter agreed to be made shall be called "The Mysore State Railway."

CONSTRUCTION OF THE PROJECTED RAILWAY.

7. The Company shall with due diligence and expedition and in accordance in all respects with the directions of the Secretary of State construct on a route to be selected and determined by the Secretary of State and on land to be provided by him as hereinafter stipulated in extension and as part of the Mysore Railway a line of railway from the terminus at Gubbi of the Mysore Railway to a junction with the Southern Mahratta Railway near Hurrilur with all such stations station yards offices warehouses houses for employes machinery conveniences and works as in the opinion of the Secretary of State shall be necessary or proper for the purposes of the said line of railway either as regards the due working of the same or as regards the permanence of the same and the protection of the same from destruction or injury by inundation tempest, or otherwise. The railway to be constructed by the Company under this section shall be of the metre gauge and shall in general structural character conform in all respects with the now established standard of railways in India on that gauge. Designs and estimates in relation to the construction or execution of the said railway and of all or any of the stations and other works to be constructed and executed under this section shall if required be furnished by the Company to the Secretary of State and be subjected to his approval or the Secretary of State may furnish designs to the Company and the Company shall in that case be bound to follow them.

NOTIFICATION TO COMPANY OF ROUTE OF PROJECTED RAILWAY.

8. The Secretary of State shall from time to time notify to the Company the route of the projected railway as far as such route shall from time to time have been determined by him.

SITUATION OF STATIONS &c. ON PROJECTED RAILWAY.

9. The Secretary of State shall have power to determine the situation and dimensions of all stations station yards offices warehouses houses for employes conveniences and works to be constructed in connection with or as part of the projected railway.

AS TO CERTAIN EXISTING SURVEYS.

10. The Secretary of State will allow the Company to have the benefit of all surveys plans and works (if any) with the view of facilitating and expediting the construction of the projected railway or any part or parts thereof but the Company shall discharge all the now existing obligations and liabilities of the Secretary of State under

contracts for the execution of works relating to the construction of the projected railway or any part or parts thereof.

LAND &c. FOR THE UNDERTAKING.

11. The Secretary of State on behalf of the Maharaja of Mysore shall from time to time provide the land which he shall consider requisite for the construction of the projected railway and for the stations station yards offices warehouses houses for employes conveniences and works necessary or proper for the purposes of the same railway and shall allow the Company to have possession of the land so provided. The Company shall from time to time with the sanction of the Secretary of State as soon as practicable go out of possession of and relinquish to the Secretary of State such of the land of which the Company shall have been allowed possession under this section or under any other provision of this Contract as shall for the time being have become unnecessary to be retained possession of by the Company for any of the purposes of this Contract and as often as in the opinion of the Secretary of State it shall appear to be unnecessary that the Company shall retain possession of any particular land of which the Company shall have been allowed possession under this section or of which possession shall have been allowed or delivered to the Company under any other provision in this Contract the Secretary of State shall certify such his opinion to the Company. Upon receipt of such certificate or so soon thereafter as may be the Company shall state in writing whether it acquiesces in the opinion of the Secretary of State or whether it objects thereto and if so the grounds of its objection. If no objection is stated by the Company or if the grounds of its objection (if any) are not in the opinion of the Secretary of State sufficient the Company shall upon the requisition of the Secretary of State go out of possession of the land in question and the Secretary of State on behalf of the Maharaja of Mysore shall be exclusively entitled to possession thereof.

EQUIPMENT OF THE PROJECTED RAILWAY WITH ROLLING STOCK.

12. The Company shall with all due speed equip the projected railway and every part thereof as the same shall from time to time be constructed with rolling stock plant and machinery to the satisfaction of the Secretary of State and if the Secretary of State shall be of opinion that the Company shall at any time have failed duly to perform its obligations under this section he may himself from time to time equip or complete the equipment of the projected railway or any part thereof with the particulars or any of the particulars specified in this section.

OPENING THE PROJECTED RAILWAY FOR PUBLIC TRAFFIC.

13. The Company shall from time to time when and as often as an inspecting officer acting on behalf of the Secretary of State shall have certified that any part of the projected railway is fit for the conveyance of passengers and goods and properly equipped with rolling stock plant and machinery forthwith open the same part for public traffic.

AS TO TELEGRAPHS ON THE UNDERTAKING.

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

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

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

17. The Company if so directed by the Secretary of State shall in relation to any electric telegraphs or telegraphic appliances of which under the 15th Section of this Contract it shall for the time being be allowed to have the use observe the rules applicable to telegraphs and telegraphic appliances which shall for the time being be in force in the case of State Railway Telegraphs or such of the said rules as the Secretary of State may from time to time prescribe to be observed by the Company and the Company if so directed by the Secretary of State shall account in such manner as shall be prescribed by the rules which shall for the time being be in force in relation to State Railway Telegraphs or as the Secretary of State shall require for the receipts derived from the working of telegraphs and telegraphic appliances.

This system is still in force (December 1914) and has been extended as regards instruments and offices to the East Coast system.

NOTE.—(Clause 5 of the Contract of 26th June 1908 provided that the then existing system of management of telegraphs on the railways forming part of the Madras Railway system should continue in force for such time as the Secretary of State shall approve and might be extended with his sanction to other portions of the Company's system.)

AS TO THE MAINTENANCE AND MANAGEMENT OF THE UNDERTAKING.

18. The Company shall keep the undertaking and the stations and works belonging thereto in good repair. And shall also keep so much of the undertaking as for the time being shall have been opened for public traffic and the stations and works belonging to the part which for the time being shall have been so opened in good working condition and fully supplied with rolling stock plant machinery and stores to the satisfaction of the Secretary of State and whenever the Secretary of State shall be of the opinion that the Company is in any default as to any of the matters before mentioned in this section he may in writing notify the fact to the Company specifying in such writing the general nature of the defect and unless the defect be remedied by the Company within one calendar month after the notification thereof by him to the Company may himself remedy it.

67

So far as is practicable and so far as the Secretary of State shall require the rolling stock plant and machinery and the stores provided for the purposes of the undertaking shall be kept separate and distinct from the rolling stock plant machinery and stores provided by the Company for the purposes of the original railways.

19. The Company shall keep the rolling stock machinery and plant for the time being belonging to the undertaking and to every part thereof in good repair and in good working condition to the satisfaction of the Secretary of State and whenever the Secretary of State shall be of opinion that the Company is in default as to any matter before provided for in this section he may himself remedy the defect.

20. The Company shall take into its employment all such members of the staff now employed upon or in connection with the Mysore Railway as may be required for the working of that railway or the construction or working of the projected railway upon terms as to salary and otherwise the same as those upon which they are now employed and shall at all times during the continuance of this Contract maintain a sufficient staff to the satisfaction of the Secretary of State for the purposes of so much of the undertaking as shall for the time have been opened for public traffic.

21. The Secretary of State may from time to time by notice in writing require the Company to carry out any alteration improvement or addition that may in his opinion be necessary for the safety of passengers or of the public or for the effectual working of the undertaking to be made in or to any part of the undertaking or any of the stations or works belonging thereto. Such notice shall specify the alteration improvement or addition required and shall also in general terms describe the works to be executed for the purpose of effecting the same. On receiving any such notice the Company shall with all reasonable speed execute the works described therein the Secretary of State providing any land that may be requisite for the purposes of such works. If in any case the Company shall neglect to proceed with the works prescribed in any such notice as specified in this section or fail to complete the same to the satisfaction of the Secretary of State the Secretary of State may execute the works in respect of which the Company is in default. The Secretary of State and the Company respectively shall as to any works executed under this section either by the Company or the Secretary of State and the land appropriated thereto be as nearly as may be but subject and without prejudice to the subsequent provisions of this Contract in the like relative positions as if the works had been works constructed under the 7th Section of this Contract and the land had been land provided under the 11th Section of this Contract.

AS TO DANGEROUS ROLLING STOCK.

22. The Secretary of State may from time to time prohibit the Company from using any engine carriage wagon vehicle machine or appliance of any description whatsoever of which the use shall be declared by a duly authorised inspecting officer acting on behalf of the Secretary of State to be attended with danger to passengers or to the public and the Secretary of State may by taking into his custody such engine carriage wagon vehicle machine or appliance or by such other means as he shall think fit to employ prevent the Company from using the same.

POLICE.

23. The Secretary of State shall make the necessary arrangements with the Mysore Government or otherwise for providing and maintaining for the purposes of so much of the undertaking as shall for the time being have been opened for public traffic such a force of police as the Company with the approval of the Secretary of State shall from time to time require and the Secretary of State may in his discretion from time to time make arrangements for detailing providing and maintaining in relation to so much of the undertaking as shall for the time being have been opened for public traffic any force of police (either in addition to any then existing force or otherwise) which he may deem requisite for the preservation of law and order. Seven equal tenth parts of the cost of providing and maintaining the aggregate force of police from time to time employed under this section in relation to the undertaking (or any part or parts thereof) shall be borne by the Company.

24. If the Company shall desire to have police protection for any part or parts of the undertaking which may for the time being be under construction or not open for public traffic the Secretary of State will from time to time (but at the sole cost of the Company) make arrangements for providing and maintaining for the purpose a police force of such strength as shall from time to time be agreed upon in that behalf between himself and the Company.

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

AS TO WORKING THE UNDERTAKING FARES &c.

26. The Company shall during the continuance of this Contract keep so much of the undertaking as for the time being shall have been opened for public traffic so opened and work the same and carry

on thereon the business of carriers of passengers and goods in accordance with the provisions of the law of British India for the time being.

27. The Company shall during the continuance of this Contract cause to be run upon the Mysore Railway and upon such part of the projected railway as for the time being shall have been opened for public traffic so many trains at such times at such rates of speed between such places and with such conveniences and accommodations as the Secretary of State shall from time to time require.

28. The Company shall from time to time upon the requisition of the Secretary of State effect any alteration or improvement in the working of the undertaking or any part thereof that may in the opinion of the Secretary of State be necessary for the safety of passengers or of the public or for the effectual working of the undertaking or any part thereof.

29.—(1.) *The Secretary of State shall from time to time authorise maximum and minimum rates within which the Company shall be entitled to charge the public for services rendered, by way of, or in connection with the conveyance of passengers or goods on the undertaking, and shall prescribe the several classes and descriptions of passengers and goods to which such rates shall be respectively applicable, as well as the extent to which, within the maxima and minima so authorised, the Company may vary the said rates in respect of the distance or weight, or special conditions under which such conveyance takes place or services are rendered.* *Substituted for former Clause 29 by Clause 24 of Contract of 26th June 1908.*

(2.) *The Secretary of State shall give the Company not less than three calendar months' previous notice in writing of his intention to make any change in the rates or classification so authorised and prescribed, and unless the Company shall assent to such change it shall not be operative until the expiry of the said notice. Provided that when the Secretary of State shall declare that a change is necessary to meet a public emergency, it shall suffice for him to give such shorter notice as he shall consider reasonable.*

(3.) *In making charges to the public for services under this Section the Company shall not, without the special sanction of the Secretary of State, calculate the same otherwise than in accordance with the rates authorised in the manner herein prescribed, or make any reduction by rebate or otherwise that will have the effect of bringing any rate actually paid below the minimum authorised in the manner herein stated.*

(4.) *The term "goods" shall as regards this clause, include everything conveyed on the undertaking, passengers only excepted.*

(5.) *If the Secretary of State shall in the exercise of his control over maximum and minimum rates require the Company to reduce its charges*

for the carriage of salt below the rates now in force, he shall pay to the Company suitable compensation for any loss thence ensuing.

30. The Company shall not as between members of the public make or give any undue or unreasonable preference or advantage to or in favour of any particular person or company or any particular description of traffic or subject any particular person or company to any undue or unreasonable prejudice or disadvantage. The Secretary of State shall have absolute power for the purposes of this section to decide whether any preference advantage prejudice or disadvantage is undue or unreasonable.

AS TO SERVICES RENDERED TO SECRETARY OF STATE ON THE UNDERTAKING.

31. All services which the Secretary of State shall require the Company to perform for any Department of the Government of Mysore and for any Department of Her Majesty's Indian Government whether postal military police or otherwise or for high officials of such Governments respectively (including in such services the conveyance of mails as defined by the Post Office Act or Acts for the time being in force in British India the conveyance of Post Office servants when on duty the conveyance of troops and sailors military and naval establishments horses and other animals used for military purposes guns military stores and equipments the conveyance of police prisoners and paupers the conveyance of telegraph stores instruments officers and workmen and of any public stores whatever) shall be performed by the Company on the railways of the undertaking on the same general conditions as may for the time being be in force on railways of the corresponding gauge belonging to and worked by Her Majesty's Indian Government and at such rates as may be approved by the Secretary of State. Provided that nothing in this section contained shall be construed to override the previous provisions in this Contract as to the grant of free passes for certain employes of the Secretary of State.

32. The Company shall convey gold and silver bullion and coin and copper coin belonging to the Government of Mysore and to the Secretary of State and the persons in charge thereof at special rates to be from time to time approved by the Secretary of State.

33. The Company shall from time to time upon the requisition of the Secretary of State give precedence over all other traffic to his demands either for passenger or freight accommodation and subject thereto to the like demands of the Government of Mysore.

AS TO CARRIAGE OF STORES.

34. All stores intended to be used for any purposes of the undertaking or any part thereof (including stores intended to be used in or about the construction of any part of the undertaking or of any works or adjuncts of or pertaining to the same) shall be conveyed by the Company over the undertaking so far as opened for public traffic at rates to be approved by the Secretary of State such rates to be not less than the actual cost of conveyance.

AS TO THE DEBENTURE STOCK ISSUED BY THE COMPANY AND OTHER PAYMENTS BY THE COMPANY TO GOVERNMENT AND PAYMENT OF INTEREST TO THE COMPANY.

35. The sum of £1,224,000 paid by the Company into the Bank of England to the credit of the Secretary of State as hereinbefore recited shall belong absolutely to the Secretary of State who shall not be deemed a debtor to the Company in respect thereof but the Secretary of State shall and will at all times hereafter and as well during the continuance of this Contract as after the expiration or determination thereof and free from and notwithstanding any cross claim question of account or right of set-off between the Secretary of State and the Company out of the revenues of India indemnify the Company their property and effects from and against the debenture stock for the nominal amount of £1,200,000 issued by the Company as hereinbefore recited and every of them and the principal moneys thereby secured and from and against all actions claims and demands whatsoever for or in respect of the said debenture stock or any part thereof and shall if so required by the Company take over on the termination of this Contract as a direct liability such claims and demands to the intent that in so far as the arrangements between the Company and the holders of debenture stock will permit the Company may be released from the same.

36. The Secretary of State will half-yearly on the 1st day of April and the 1st day of October during the continuance of this Contract pay out of the revenues of India to the Company in London a sum equal to interest at the rate of 4 per cent. per annum on the sum of £1,200,000 the nominal amount of the debenture stock so issued by the Company as hereinbefore mentioned and the Company shall from time to time apply the amount so paid in discharge of the interest on the said debenture stock. The Secretary of State shall not pay or be required to pay any interest in respect of the sums amounting to the sum of £24,000 which were received by the Company as premiums on the issue of the said debenture stock for £1,200,000 and formed part of the sum of £1,224,000 paid by the Company into the Bank of England as hereinbefore recited.

SUPPLY OF MONEY BY GOVERNMENT.

37. All moneys which the Company shall with the sanction of the Secretary of State require for the purposes of the undertaking whether as regards construction or working shall be supplied to the Company by the Secretary of State according to such arrangements as shall from time to time be made between the Secretary of State and the Company: Provided that the Secretary of State shall as and when from time to time the balance standing to the debit of the capital account hereinafter mentioned (inclusive of any balance for the time being standing to the debit of the Stores account also hereinafter mentioned) shall be not less than the sum of £1,224,000 (treating every sum debited as converted into rupees or sterling at the prescribed rate of exchange) have an absolute right of declining to supply money to the Company to defray expenditure chargeable to capital account: Provided that the Company shall not be bound to do any works or to incur any expenditure in respect of which the Secretary of State may not have consented to supply money.

PAYMENT OF RECEIPTS OF COMPANY TO GOVERNMENT ACCOUNT.

38. All moneys whatsoever whether attributable to account of capital or revenue which shall during the continuance of this Contract be received by or on behalf of the Company in respect of the undertaking whether on its own account or as agent of the Secretary of State or otherwise (excepting moneys which shall be paid to the Company by the Secretary of State pursuant to this Contract) shall at such times and in such manner as the Secretary of State may from time to time direct be paid without deduction in manner following (that is to say) as to moneys received elsewhere than in India by or on behalf of the Company into the Bank of England to the credit of the Secretary of State and as to moneys received in India by or on behalf of the Company into some treasury in India of the Government of India or of the Government of Mysore to be from time to time approved for the purpose by the Secretary of State. All the moneys which shall be so paid as aforesaid shall when paid become the absolute property of the Secretary of State who shall not be deemed a debtor to the Company in respect thereof but nevertheless such of the same moneys as are under this Contract to be treated as received on account of revenue shall be subject to the provisions hereinafter contained as to the application thereof.

ATTRIBUTION OF RECEIPTS OF COMPANY TO CAPITAL AND REVENUE RESPECTIVELY.

39. Of the moneys to be so paid as provided by the last preceding section such as shall have been received by or on behalf of the Company in respect of the projected railway prior to the opening for

public traffic of any part of that railway shall be treated as received on account of capital and such as shall have been received by or on behalf of the Company in respect of the projected railway after the opening for public traffic of the whole of that railway or in respect of the Mysore Railway shall subject to the succeeding provisions of this section be treated as received on account of revenue. All such of the moneys to be so paid as aforesaid as shall have accrued from the sale of any property not paid for out of revenue on any occasion other than one on which the property sold is replaced by other property of the same or a similar character shall at whatever time such sale may have taken place be treated as received on account of capital. And of the moneys to be so paid as aforesaid and received by or on behalf of the Company in respect of the projected railway subsequently to the opening for public traffic of part of that railway and prior to the opening for public traffic of the whole thereof such portions shall respectively be attributed to account of capital and such portions to account of revenue as the Secretary of State shall from time to time determine having regard in so doing to the principles so far as applicable on which the previous provisions of this Section are framed.

ACCOUNTS.

40. The Company shall keep the following accounts in respect of the Mysore State Railway—

- (1.) A Capital Advance Account :
- (2.) A Capital Account :
- (3.) A Revenue Account :
- (4.) A Stores Account :

And all such other accounts relating to the undertaking and also all such accounts as between the Company and the Secretary of State as the Secretary of State shall from time to time require. The said accounts shall be kept in such form and under such heads or divisions and with such details as the Secretary of State shall from time to time prescribe. The said accounts so far as the same are kept in India shall be kept in rupees of the Government of India and so far as they are kept in England shall be kept in sterling money. Such of the said accounts as are kept in England shall from time to time be transmitted by the Secretary of State to the Government in India and incorporated in the accounts of the Company in India the items in each account being converted into rupees at the prescribed rate of exchange.

41. All the accounts which shall be kept by the Company under the last preceding section of the Contract shall relate solely and

exclusively to the undertaking as defined in this Contract and shall be kept entirely separate and distinct from the accounts relating to the original railways kept by the Company under any of the provisions of the original Contract. Provided always

- (1.) That capital receipts and charges which do not strictly appertain either to the undertaking alone or to the original railways alone shall be apportioned between them in each half-year in proportion to the gross capital expenditure in respect of each in such half-year:
- (2.) That revenue receipts which do not strictly appertain either to the undertaking alone or to the original railways alone shall be apportioned between them in each half-year in proportion to the gross earnings of each in such half-year:
- (3.) That until the projected railway is opened for traffic throughout revenue charges which do not strictly appertain either to the undertaking alone or to the original railways alone shall be apportioned between them in each half-year in proportion to the gross earnings of each in such half-year:
- (4.) That when and after the projected railway shall be opened for traffic throughout the combined revenue charges of the original railways and the undertaking shall be apportioned between them in each half-year in proportion to the gross earnings of each in such half-year:
- (5.) That the stores purchased for the purposes or in respect of the undertaking and of the original railway respectively shall so far as is practicable be kept entirely separate and distinct and the cost of all stores purchased for the purposes or in respect of the undertaking and the original railways jointly or which it shall be impracticable to keep separate and distinct shall be apportioned between the undertaking and the original railways in accordance with rules to be agreed from time to time between the Secretary of State and the Company.

42. In the said Capital Advance Account shall be entered all moneys supplied by the Secretary of State to the Company to defray expenditure by the Company under this Contract other than that chargeable against revenue and the moneys so entered shall as expended by the Company in conformity with this Contract be transferred from the Capital Advance Account to the Capital Account the Revenue Account or the Stores Account as shall be proper. The Capital Advance Account shall from time to time as the Secretary of State shall require be made up and submitted to him.

43. In the Capital Account the following particulars shall be entered to debit and credit respectively (that is to say)

To debit

- (a.) The sum of Rupees 68,60,508 at the prescribed rate of exchange (subject to verification as aforesaid) being the amount of capital outlay on the undertaking up to the 30th June 1886 payable by the Secretary of State to the Maharaja of Mysore as hereinbefore recited together with such other sums properly chargeable to capital as may have been expended by or on behalf of the Secretary of State as hereinbefore recited:
- (b.) All moneys expended in respect of the Mysore Railway since the 30th June 1886 and which if expended by the Company after the commencement of this Contract would have been expenditure on account of capital. The amount of such expenditure as shown in rupees in the accounts of the Secretary of State being entered in the said capital account without correction on account of exchange of the proportion of the expenditure which represents the cost of stores purchased in England:
- (c.) All expenditure by the Company in relation to this Contract which ought as between the Secretary of State and the Company to be treated as on account of capital including the proportion of the general capital charges mentioned in Section 41 of this Contract which ought under that section to be charged against the undertaking:
- (d.) The cost as certified by the Secretary of State of all land of which he shall allow the Company to have possession for any purposes of this Contract:
- (e.) The cost of providing and maintaining a police force in relation to any such part or parts of the undertaking as may for the time being be under construction or not open for public traffic:
- (f.) The cost as certified by the Secretary of State of the surveys and plans mentioned in the 10th Section of this Contract and of any designs and estimates which the Secretary of State may furnish to the Company under the 7th Section of this Contract including in the cost of the said surveys and plans all costs certified by the Secretary of State as having been incurred with a view to procuring the same to be made:
- (g.) The charges of Her Majesty's Indian Government Telegraph Department for rent maintenance and inspection of such

electric telegraphs and telegraphic appliances (if any) as the Secretary of State may allow the Company to use in relation to the construction of the projected railway or any part thereof:

- (h.) So much as ought pursuant to this Contract from time to time to be charged to capital in respect of the half-yearly amounts to be charged by the Secretary of State under the provisions hereinafter contained for his supervision and control of the Company:
- (i.) Any amount which the Secretary of State may from time to time require to be entered in the capital account in respect of the cost to him of such of his legal expenses incurred in relation to this Contract as he shall determine to be chargeable to capital:
- (k.) The cost to the Secretary of State as certified by him of all works acts and things which shall be executed or done by him under any of the provisions of this Contract provided that the cost thereof if executed or done by the Company would have been expenditure on account of capital:

And to credit

- (l.) The value to be determined by the Secretary of State of any land of which possession shall have been allowed to the Company for the purposes of this Contract and which shall subsequently be relinquished to the Secretary of State under Section 11 hereinbefore contained:
- (m.) All such of the moneys to be received by or on behalf of the Company in respect of the undertaking as are herein provided to be treated as received on account of capital.

44. The Capital Account shall from time to time as the Secretary of State shall require be made up and the balance thereon ascertained and stated therein. The Secretary of State may from time to time audit the Capital Account and correct errors therein as he shall see fit.

45. The Revenue Account shall contain an account of all such of the moneys to be received by or on behalf of the Company in respect of the undertaking as are herein provided to be treated as received on account of revenue and of all the expenditure which ought conformably with this Contract to be treated as on account of revenue. The Revenue Account shall be made up half-yearly to the 30th of *September* and the 31st of *March* in each year or to such other days as the

Months altered
from June and
December by
Contract of
20th May 1911.

Secretary of State may from time to time prescribe and shall be regularly submitted by the Company to the Secretary of State who may audit the same either concurrently with or after expenditure or in both ways as he may think fit and may in case of error being discovered therein correct the same within three calendar months after the account containing such error shall have been submitted to him. Every Revenue Account shall be considered as settled at the expiration of three calendar months after the same shall have been submitted to the Secretary of State but nevertheless any error which may subsequently be discovered therein shall be corrected in the then next Revenue Account or in any subsequent Revenue Account or Accounts as the Secretary of State may determine.

46. The Company shall as soon as conveniently may be make up and deliver to the Secretary of State an account of all stores handed over to the Company as hereinbefore stated and shall also as soon as possible after the 30th of *September* and the 31st of *March* in each year or the respective half-yearly days which the Secretary of State may from time to time prescribe for the making up of the Revenue Account make up and deliver to the Secretary of State an account of all stores in hand on the half-yearly day immediately preceding the making up of the account now being directed and of all stores which the Company shall for the purposes of fulfilling this Contract have used since as regards the first occasion of making up an account of stores the 30th day of June 1886 and since as regards each other occasion of making up an account of stores the date to which the Stores Account was last previously made up showing the purposes for which such stores have been used as often as any of the stores in hand shall be used by the Company for the purposes of fulfilling this Contract the value of the stores so used as entered in the books of the Company shall be entered in the Capital Account or in the Revenue Account as may be proper. The Stores Account shall besides being made up periodically as above mentioned be made up and balanced from time to time upon the requisition of the Secretary of State.

47. The stores in hand shall be valued at such time or times as the Secretary of State shall direct and in such manner as shall from time to time be agreed upon by the Secretary of State and the Company and the value of the stores in hand as entered in the books of the Company shall be corrected in accordance with such valuation and all necessary adjustments shall be thereupon made by making entries to debit or credit in the Revenue Account as may be proper.

APPROPRIATION OF EXPENDITURE.

48. In any case where any question may or might arise as to whether any expenditure incurred in relation to the undertaking or otherwise is to be treated in the whole or in part as a charge on

Capital Account or how the same is to be dealt with the question shall be determined on the general principle that capital is to bear the cost of new works of additional rolling stock plant machinery and of improvements of and additions to old works rolling stock plant and machinery including the cost of any temporary new work the construction of which is requisite for the construction of a work properly chargeable to capital and that the cost of repairs restorations renewals replacements and substitutions is to be borne by revenue except in cases where repairs restorations renewals replacements or substitutions are effected upon or in respect of any portion of the projected railway prior to the opening for public traffic of the portion of the said railway upon or in respect of which the same are effected in which case the cost thereof is to be chargeable to capital.

(1.) Provided always that any item of expenditure incurred in respect to the Mysore Railway or in respect to any part which shall have been opened for public traffic of the projected railway (although under the terms in this section before contained in strictness chargeable to capital) shall from time to time if not exceeding the sum of 1,000 Rupees and may from time to time at the absolute discretion of the Secretary of State if exceeding 1,000 Rupees but not exceeding 2,000 Rupees be charged to revenue: Provided nevertheless that the aggregate expenditure charged to account of revenue under this sub-section shall not in any half-year commencing on a 1st day of April and terminating on a 30th day of September or commencing on a 1st day of October and terminating on a 31st day of March exceed the aggregate amount of a mileage rate calculated at 20 rupees for each mile of the projected railway which for the time being shall have been opened for public traffic and for this purpose so much of the projected railway as at the end of any half-year shall have been opened for public traffic shall be treated as if it had been so opened during the whole of the half year:

(2.) Provided also that after the opening throughout for public traffic of the whole of the projected railway no portion of the salaries or allowances of any of the Company's permanent supervising staff although for the time being employed partly or wholly in directing or superintending work the expenditure on which is properly chargeable to capital shall except with the express sanction of the Secretary of State be treated as chargeable to capital and also that after the opening throughout for public traffic of the whole of the projected railway no expenses connected with the engagement from England or with the passage from or to England of any person in the Company's

*Months altered
from January,
June, July, and
December by
Contract of
20th May 1914.*

service shall be treated as chargeable to capital unless such person shall be specially engaged to carry out work the cost of which is expenditure so chargeable and shall be actually employed upon such work.

Nevertheless the cost of construction of any of the extensions mentioned in the 57th Section of this Contract shall be borne by capital to the same extent and in the same manner as if the proviso in Sub-section 2 contained had not been inserted in this Contract.

49. If any difference shall arise between the Secretary of State and the Company as to whether expenditure shall in any particular case be charged to capital or charged to revenue the matter in difference shall unless according to the terms of the section last hereinbefore contained to be solely decided or determined by the Secretary of State be referred to the decision of the joint auditor if the Secretary of State and the Company shall have appointed such an officer but in case a joint auditor shall not have been appointed then the matter in difference shall be referred for final decision to the Company's auditor or some other person to be named by the Company and a Government examiner of railway accounts or some other person to be named by the Secretary of State or to an umpire to be named by the referees acting on behalf of the Company and the Secretary of State respectively in case of difference between such referees. The costs of any reference under this section shall unless the Secretary of State shall otherwise direct be treated as working expenses.

WORKING EXPENSES.

50. All costs and expenses incurred by the Company with the sanction of the Secretary of State in or about or in connection with the maintenance management and working of so much of the undertaking as shall for the time being have been opened for public traffic shall subject and without prejudice to the provisions as to the apportionment of general revenue charges contained in Section 41 of this Contract be deemed working expenses.

In working expenses there shall be included—

(1.) Such sum or sums of money as shall from time to time be agreed upon between the Secretary of State and the Company as proper to be allowed in respect of the rent of the Company's office in London office expenses directors' fees and salaries of clerks and servants except so much (if any) of the sum or sums mentioned in this sub-section as the Secretary of State shall especially determine to be chargeable to capital:

- (2.) The costs of and incidental to the preparation of the returns and statistics mentioned in the 64th Section of this Contract:
- (3.) So much of the cost of providing and maintaining a police force agreeably to this Contract as is under the terms of this Contract to be borne by the Company and not to be debited to capital:
- (4.) All expenditure incurred by the Company with the sanction of the Secretary of State or by the Secretary of State under the provisions of this Contract in keeping so much of the undertaking as for the time being shall have been opened for public traffic and the stations and other works belonging thereto in good repair and in good working condition and supplied with rolling stock machinery and plant except such part (if any) of the expenditure mentioned in this sub-section as shall be properly treated as chargeable to account of capital:
- (5.) All expenditure incurred by the Company with the sanction of the Secretary of State or by the Secretary of State under the provisions of this Contract in keeping the rolling stock machinery and plant belonging to so much of the undertaking as shall for the time being have been opened for public traffic in good repair and in good working condition:
- (6.) All expenditure incurred by the Company with the sanction of the Secretary of State or by the Secretary of State under the provisions of this Contract in the execution of any works of which the cost shall or would if the works were executed by the Company be chargeable to account of revenue:
- (7.) So much as ought pursuant to this Contract from time to time to be charged to account of the revenue of the undertaking in respect of the half-yearly amounts to be charged by the Secretary of State under the provisions hereinafter contained for his supervision and control of the affairs of the Company:
- (8.) The charges of the Government Telegraph Department paid by the Company for rent maintenance and inspection of the telegraphs and telegraphic appliances from time to time provided by the Secretary of State under this Contract for the use of the Company:
- (8a.) All moneys from time to time contributed by the Company under the rules for the time being in force of the Company's Provident Institution to or for the purposes of that Institution:

- (9.) All such reasonable legal expenses incurred by the Secretary of State or the Company in connection with the undertaking as the Secretary of State shall require or allow to be charged to account of revenue and all such other expenses in connection with the undertaking as the Secretary of State shall require or allow to be treated as working expenses.

AS TO APPLICATION OF RECEIPTS.

51. Subject to Clause 39* of the Contract of 26th June 1908 *See Note 2 at end of this clause.
of the moneys to be received by or on behalf of the Company in each half-year during the continuance of this Contract such as are pursuant to this Contract to be treated as received on account of revenue shall be applied as follows (that is to say):—

- (1.) in the first place in or towards the discharge of working expenses and other expenses (if any) chargeable to revenue under this Contract attributable to the half-year to which the receipts relate:
- (2.) In the next place in or towards the discharge of working expenses and other expenses (if any) chargeable to revenue under this Contract attributable to any previous half-year or half-years and not already discharged out of receipts on account of revenue:
- (3.) Cancelled:
- (4.) In the next place in payment to any reserve fund or funds to be established as provided by the 68th Section of this Contract such contributions as may be agreed upon between the Secretary of State and the Company; and
- (4a.) In the next place in payment of the interest payable on any capital expenditure incurred in respect of the undertaking after the 31st day of December 1907:
- (5.) The surplus (if any) shall be divided between and belong to the Secretary of State and the Company in the proportions of nineteen-twentieths to the former and one-twentieth to the latter and the one-twentieth belonging to the Company shall on the accounts being passed by the Government in India be forthwith paid over to the Company in India.

The alterations in this clause are made by Clause 19 of Contract of 26th June 1908.

NOTE.—As regards each of the Mysore State lines other than the Railway worked under this contract, the Company as from the 1st day of July 1908, in addition to the payments to which it or (as regards the Kolar Goldfields Railway) the Madras Railway Company was entitled under the contracts subsisting with respect to such line on the 31st day of December 1907, shall be entitled to one-twentieth of the surplus which shall

remain of the net earnings of such line after payment thereof of the interest payable on any capital expenditure incurred in respect of such line after the 31st day of December 1907.

NOTE 2.—Clause 39 of the Contract of 26th June 1908 is:—

39. The Company shall, as regards the Bezwada-Masulipatam Branch Railway which has been agreed to be constructed and worked by the Company for the Kistna Local Board, pay to the said Local Board in respect of and at the end of each calendar year, commencing at the opening of the same railway, by way of rebate, such a sum not exceeding in any year 10 per cent. of the share attributable to the Company's railway system of the gross earnings from traffic, except stores, interchanged between the Company's railway system and the said Branch Railway, as shall, together with the net earnings of the said Branch Railway for such year, make up an amount equal to interest for the year at the rate of $3\frac{1}{2}$ per cent. on the actual expenditure charged in its capital account. The moneys to be paid under this clause shall be calculated at the close of each year, but moneys may be paid at the close of the first half of each year on account, and subject to adjustment at the close of the year.

AS TO RUNNING POWERS AND OTHER FACILITIES AND ACCOMMODATION FOR OTHER RAILWAY COMPANIES AND STATE RAILWAYS.

Clauses 52, 53, 55 and 56 were cancelled by Clause 27 of the Contract of 26th June 1908 and the following clause substituted for them:—

The Secretary of State may from time to time, when he shall be of opinion that it is desirable so to do for the public convenience, require the Company to enter into, and on the request of the Company will assist them in entering into, agreements upon reasonable terms as to payments, and under reasonable conditions and restrictions, with the administrations of any other railway or railways having junctions with the Company's system for the following purposes or any of them:—

- (a.) For allowing the use of the railways or any parts of the railways respectively worked by them, such railways being of the same gauge for the passage of one another's engines and trains:
- (b.) For the supply to one another of any rolling stock which shall not be required for their own purposes respectively:
- (c.) For the interchange of traffic and rolling stock, and the settlement and apportionment of through rates and charges for interchanged traffic:
- (d.) For additions or alterations to or for the redistribution of existing accommodation in junctions or other stations and their

appliances in view to their convenient use for the accommodation of one another's traffic, rolling stock or working staff.

54. The Secretary of State may from time to time require the Company to execute work in its workshops in respect of rolling stock and machinery belonging to State railways at such reasonable prices and upon such terms as shall be agreed upon between the Secretary of State and the Company but so nevertheless as not to impede or unduly interfere with the ordinary operations of the Company as carried on therein.

POWER TO THE SECRETARY OF STATE TO REQUIRE A TRANSFER OF THE BANGALORE-NANJANGUD SECTION TO THE SOUTH INDIAN RAILWAY COMPANY LIMITED.

Clauses 35 and 37 of the Contract of 26th June 1908 as varied by Clause 4 of the Contract of 16th March 1911 provided:—

35. The Secretary of State may at any time during the continuance of the original Contract as hereby varied, if a connection shall have been made between Nanjangud and any point on the railways now forming the South Indian Railway system, by notice in writing require the Company to transfer to the South Indian Railway Company, Limited, or other the railway administration for the time being working the Jalarpet-Mangalore section the section of the Company's Railway system between Bangalore and Nanjangud, and the Company shall thereupon transfer the same with all stations and works thereto belonging accordingly.

37. In the event of the transfer to the South Indian Railway Company, Limited, or such other railway administration as aforesaid of the Bangalore-Nanjangud section the railways and works so transferred shall cease to form part of the Company's Railway system, and no compensation shall be made by the Secretary of State to the Company for any loss of profit thereby occasioned to the Company.

AS TO THE CONSTRUCTION OF EXTENSIONS.

57. The Secretary of State if he so elect may at any time during the continuance of this Contract subject to terms as to the provision of capital being then agreed upon require the Company to construct all or any of the following extensions of the Mysore Railway (that is to say)—

- (1.) An extension from Kadur through Hassan to Seringapatam:

(2.) An extension from Mysore to the foot of the Neilgherry Hills on the Mysore Plateau; and

(3.) An extension from Tumkur to Hindupur.

And as from the time when and as often as the Secretary of State shall under this Contract have required the Company to construct any of the said extensions this Contract shall subject only to the provisions contained in this section be read and take effect as if the extension or extensions so for the time being required to be constructed had by the 7th Section of this Contract been agreed to be constructed by the Company in addition to the line of railway mentioned in that section and as if the expression "the projected railway" had in the 1st Section of this Contract been defined to mean and include the extension or extensions so required to be constructed as well as the line of railway mentioned in the said 7th Section: PROVIDED ALWAYS that the cost to the Secretary of State as certified by him of all land of which the Company shall be allowed to have possession for the purposes of any of the said extensions shall be entered to debit in the capital account to be kept by the Company as hereinbefore provided. PROVIDED ALSO that nothing in this section contained shall unless or until the Secretary of State shall require the Company to construct any such extension or extensions as aforesaid prevent any provision of this Contract from taking effect in the same manner and to the same extent as it would have done if this present section had not been introduced into this Contract.

CONSTRUCTION ACQUISITION AND WORKING OF AUXILIARY OR BRANCH RAILWAYS.

58. The Secretary of State may require the Company on such terms and conditions as shall be agreed upon between himself and the Company in each case to construct or acquire either absolutely or on lease for a term of years or otherwise any railway on the metre gauge convenient to be worked as auxiliary to or in connection with the undertaking or any part of it and to work on such terms and conditions as may in each case be agreed upon between the Secretary of State and the Company any railway so constructed or acquired as mentioned in this section or any other railway on the metre gauge convenient to be worked as auxiliary to or in connection with the undertaking or any part of it.

THE COMPANY TO COMPLY WITH THE REQUIREMENTS OF THE SECRETARY OF STATE.

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

AS TO THE SUPERVISION AND CONTROL OF THE SECRETARY OF STATE.

60. In all matters not herein specially provided for relating to the fulfilment and performance by the Company of this Contract so far as it is to be fulfilled or performed by the Company the Company shall be subject to the supervision and control of the Secretary of State. The Secretary of State shall be entitled to make a charge half-yearly for his supervision and control of the Company in respect of this Contract. The said half-yearly charge shall be a mileage rate of 40 Rupees for every mile of the Mysore Railway and of the projected railway so far as the latter shall for the time being be either constructed or under construction. The half-yearly charge to be made by the Secretary of State under this section shall until the whole of the projected railway shall have been opened for public traffic from time to time be apportioned between revenue and capital in such manner as that so much of the half-yearly charge as bears the same proportion to the entirety thereof as the length of railway (including the Mysore Railway) opened for public traffic at the time when the half-yearly charge is made bears to the whole length of railway on which the same charge is to be calculated shall be charged to revenue and that the residue thereof shall be charged to capital. As from the time when the whole of the projected railway shall have been opened for public traffic the half-yearly charge to be made by the Secretary of State under this section shall be charged to revenue exclusively.

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

62. The Company shall record and keep in proper books full and particular accounts of all its transactions and proceedings relating to the undertaking including full and true minutes of all its meetings meetings of Directors communications with India and correspondence so as at all times to exhibit fully and truly the state of its affairs and

the Secretary of State or any person or persons appointed by him in that behalf shall at all reasonable times have free access to all the books accounts papers and documents of the Company with power to call for and make copies of or extracts from the same.

63. The Government Director from time to time appointed under the provisions of Section 54 of the hereinbefore mentioned Indenture of the 1st day of June 1882 and any person appointed under that section to represent him shall have the like powers and duties with reference to the undertaking as are by that Indenture prescribed with reference to the Southern Mahratta Railway.

MISCELLANEOUS PROVISIONS.

64. The Company shall from time to time make such returns and furnish such statistics in such form and under such heads and divisions and with such details as the Secretary of State may from time to time require. The cost of preparing such returns and statistics and incidental thereto shall be treated as part of the working expenses of the undertaking.

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

66. No claim shall be made upon the Secretary of State by the Company for compensation in respect of the prejudicial effect upon the undertaking or the profits thereof of any Act of Her Majesty's Indian Legislature of general applicability for the time being in force and the Company and the undertaking and its equipment shall be subject to the provisions of every such Act as last aforesaid and no claim shall be made upon the Secretary of State by the Company for compensation in respect of the prejudicial effect upon the undertaking or the profits thereof of any treaty convention or agreement for the time being in force between the Secretary of State and the Government of any tributary or foreign State although such treaty convention or agreement may not be of general applicability and the Company and the undertaking and its equipment shall be subject to the provisions of every such treaty convention or agreement as mentioned in this section.

67. The Company may and shall if required by the Secretary of State at any time during the continuance of this Contract maintain and manage a Provident Institution and a Savings Bank for the benefit of the servants of the Company employed upon the undertaking or may and shall if so required as aforesaid admit such servants to the

benefits of any Provident Institution or Savings Bank which may be maintained by the Company under the provisions of the original Contract. And in either case upon such terms and under such rules and regulations as shall from time to time be approved by the Secretary of State.

68. The Secretary of State may at any time require the Company to establish and maintain out of contributions from revenue and on terms to be agreed upon between the Secretary of State and the Company reserve funds for the purposes of insuring property whether appropriated to the undertaking or in the custody of the Company as common carriers or in any other capacity against damage by fire and of making good deteriorations of permanent way and rolling stock.

69. Any notice determination decision direction requirement requisition appointment certificate or expression of opinion approval or sanction to be given or signified on the part of the Secretary of State for any of the purposes of or in relation to this Contract or any of the powers or provisions herein contained shall be sufficient and binding if in writing signed by the Secretary of State or one of his Under-Secretaries or by the Resident at Mysore or by a Secretary of Her Majesty's Indian Government or by any other officer or servant authorised to act on behalf of the Secretary of State in respect of matters to which the same shall relate and the Secretary of State shall not in any case be bound in respect of any of the matters aforesaid unless by some writing signed in the manner before mentioned in this section.

70. The Company shall at all times during the continuance of this Contract and in accordance with the terms of the original Contract keep an office established at some place in India to be determined from time to time by the Secretary of State and shall keep at the said office an authorised agent or committee of agency with whom the Secretary of State and the Government of India or other officer or officers deputed in that behalf may communicate on affairs concerning this Contract and the duties and liabilities of the parties hereto under this Contract and all drafts drawn and receipts given by the said agent or committee of agency or under his or their authority on behalf of the Company in relation to this Contract or any of the duties or liabilities of the Company under this Contract shall be binding on the Company and every notice to be given to the Company (save any notice with respect to the determination of this Contract as hereinafter provided) shall be sufficiently given if left at the said office or personally served on the said agent or any member of the said committee of agency.

AS TO THE TERMINATION AND EXPIRATION OF THE CONTRACT.

71. If default shall be made by the Company in the construction and completion in conformity with this Contract of any part of the undertaking or of any of the stations or other works connected therewith or in the due equipment pursuant to this Contract of the undertaking or any part thereof with rolling stock machinery or plant or if there shall be any breach on the part of the Company of any of the provisions of this Contract or if after the projected railway has been opened for traffic throughout the undertaking or any part thereof shall in the opinion of the Secretary of State be in course of gross mismanagement by the Company or be worked at a loss as shown by the revenue account and have been so worked for not less than three half-years continuously down to the time at which the Secretary of State shall give to the Company notice as hereinafter mentioned the Secretary of State may determine this Contract by giving to the Company in London six calendar months' previous notice in writing of such determination.

*See new Clause 2
of the original
Contract of 1st
June 1882 as
amended by
Clause 2 of
Contract of
26th June 1908.*

72. If the original Contract shall be determined by notice under any provision in that behalf contained in that Contract then on the day on which the same shall be so determined this Contract shall (without the necessity of any further or other notice being given by either of the parties hereto to the other of them) be absolutely determined.

73. Upon the day on which this Contract shall expire by effluxion of time or shall be determined under either of the two last preceding sections the Company shall deliver to the Secretary of State possession of all land of which the Company shall have had possession under or for the purposes of this Contract (except only such lands as may previously have been already re-delivered to him or sold with his sanction) together with the stations station yards offices warehouses houses for employés conveniences rails machinery fixtures and plant then erected or being on the land to be delivered up under this section or in anywise belonging to the undertaking or any part thereof and also deliver to the Secretary of State all rolling stock movable machinery and plant belonging or appropriated either as regards purposes of construction or working or otherwise to the undertaking or any part thereof or any of the works or adjuncts thereof and all stores in hand or in course of delivery on that day in connection with the undertaking and all plans books surveys sections printings writings and documents whatsoever in anywise connected with or with the construction of the undertaking or any part thereof or any of the works or adjuncts thereof and any electric telegraphs telegraphic appliances and other property belonging to the Secretary of State and then in the possession of the Company in reference to

78

this Contract. The Company will also on the day on which this Contract shall so expire or be determined refund to the Secretary of State any money belonging to the Secretary of State which shall then be under the control or in the hands of the Company or any of its officials or agents and the Secretary of State shall be bound to indemnify the Company its property and effects against all such then existing debts and liabilities (if any) incurred by the Company with the sanction of the Secretary of State in relation to this Contract as would but for the expiration or termination of this Contract have had under this Contract to be fulfilled or discharged by the Company at cost which would under this Contract have been properly charged to capital or revenue.

74. The determination of this Contract under any of the provisions hereinbefore contained shall be without prejudice to the rights of either party against the other in respect of any covenant herein contained which may have been broken previously to the determination of this Contract but no such right (if any) against the Company shall prejudice or affect Section 35 hereof.

AS TO PROPERTY IN THE UNDERTAKING.

75. As between the Secretary of State and the Company and without prejudice to any arrangements between the Secretary of State and the Maharaja of Mysore all land of which the Secretary of State on behalf of the Maharaja of Mysore shall allow the Company to have possession for any of the purposes of this Contract and everything to be constructed thereon and all rails plant machinery rolling stock stores fixtures and implements of every description acquired by the Company for the purpose of constructing maintaining equipping keeping up the equipment of or working the undertaking or any part thereof or any stations station yards offices warehouses houses for employés or works upon any land of which the Secretary of State shall so allow the Company to have possession as aforesaid or for any other purposes of the undertaking are hereby declared to be respectively the property of the Secretary of State as well during the continuance as after the expiration or determination of this Contract. The Company shall not be entitled to any remuneration from the Secretary of State in respect of its services under this Contract otherwise than and except as is provided in the 31st and 32nd Sections of this Contract.

ARBITRATION.

76. If any dispute question or controversy shall at any time arise between the Secretary of State and the Company touching this Contract or any clause or thing herein contained or the construction hereof or any matter connected with this Contract or the operation of

the same or the rights duties or liabilities of either party in relation to the premises then and in every such case the matter in difference shall unless in this Contract special provision shall have been made for the settlement or determination thereof in some other manner be referred to two arbitrators or their umpire pursuant to and so as with regard to the mode and consequences of the reference and in all other respects to conform to the provisions in that behalf contained in the Common Law Procedure Act 1854 or any subsisting statutory modification thereof and upon every such reference the arbitrators and umpire shall respectively have power to examine witnesses upon oath or affirmation and either to fix settle and determine the amount of costs of the reference and award respectively or incidental thereto to be paid by both parties or by either party or to direct the same to be taxed either as between solicitor and client or otherwise and to direct and award where and by and to whom such costs shall be paid and every or any such reference may be made a rule of Her Majesty's High Court of Justice or of the High Court of Judicature at Bombay on the application of the Secretary of State or of the Company and either the Secretary of State or the Company may instruct counsel to consent thereto for the other party.

IN WITNESS WHEREOF Colonel Henry Yule, C.B., and Robert Hardie, Esquire, being two Members of the Council of India, have hereunto set their hands and seals and the Southern Mahratta Railway Company Limited have hereunto caused their Common Seal to be affixed the day and year first above written.

Signed sealed and delivered by the
above-named Colonel Henry
Yule and Robert Hardie,
Esquire, in the presence of

H. YULE.

(L.S.)

R. HARDIE.

(L.S.)

W. H. TREASURE,
India Office.

The Common Seal of the Southern
Mahratta Railway Company
Limited was hereunto affixed
in the presence of

J. S. TREVOR, *Director*.

G. NORMAN, *Director*.

EDW. Z. THORNTON, *Secretary*.



79

31st AUGUST 1887.

THE SECRETARY OF STATE
IN COUNCIL OF INDIA

AND

THE *MADRAS AND SOUTHERN*
MAHRATTA RAILWAY
COMPANY LIMITED.

Contract

FOR THE CONSTRUCTION OF AN EXTENSION
OF THE MYSORE STATE RAILWAY AND
THE MAINTENANCE AND WORKING OF
THE MYSORE STATE LINES AS A SEPARATE
UNDERTAKING (AS AMENDED BY SUB-
SEQUENT CONTRACTS UP TO THE END OF
THE YEAR 1914).

80
Dated 26th June, 1908.

The Secretary of State in Council of India

AND

The Madras and Southern Mahratta Railway
Company Limited.

Contract

FOR

WORKING EXISTING LINES AND PART OF MADRAS
AND SOUTH INDIAN RAILWAYS

(As amended by subsequent Contracts to the end of the year 1914).

The italics shew the alterations made by subsequent Contract.

This Indenture made the 26th day of June 1908,
BETWEEN THE SECRETARY OF STATE IN COUNCIL
OF INDIA (hereinafter called "The Secretary of State") of
the one part, and THE MADRAS AND SOUTHERN
MAHRATTA RAILWAY COMPANY, LIMITED (here-
inafter called "the Company") of the other part.

WHEREAS these presents are supplemental to an Indenture (hereinafter referred to as the original contract), dated the 1st day of June 1882, and expressed to be made between the Secretary of State of the one part and the Company under its former name of the Southern Mahratta Railway Company, Limited, of the other part, being a contract for the construction, maintenance, management, and working of the Southern Mahratta Railway, and also to the following Indentures made between the same parties and supplemental to the original contract and being contracts relating to railways worked as part of the undertaking of the Company, namely an Indenture dated the 28th day of October 1885 relating to the West Deccan Line, an Indenture dated the 31st day of August 1887 relating to the Bellary Railway, an Indenture dated the 27th day of February 1889 relating to the Kistna Railway, and an Indenture dated the 21st day of August 1898 relating to the British Section of the Guntakul-Yesvantpur Railway, and also to another Indenture dated the 31st day of August 1887, and made between the same parties as these presents, being a contract for the construction of an extension of the Mysore State Railway and the maintenance and working of that railway as a separate undertaking, and also to an Indenture dated the 8th day of April 1903, and made between the same parties as these presents, being a contract relating to the rate of exchange for conversion of pounds sterling into rupees for the purposes of the several contracts hereinbefore mentioned or some of them.

AND WHEREAS the several contracts to which these presents are supplemental are hereinafter referred to as the existing contracts.

AND WHEREAS in pursuance of the power and authority given by Clause 65 of the original contract, and the contracts supplemental thereto, the Secretary of State, on the 21st day of June 1906, gave to the Company in London notice in writing determining the original contract and all contracts supplemental thereto on the 30th day of June 1907.

AND WHEREAS by Clause 72 of the secondly hereinbefore mentioned contract of the 31st day of August 1887 it is provided that if the original contract shall be determined by notice, then,

on the day on which the same shall be so determined, the said secondly mentioned contract of the 31st day of August 1887 shall be absolutely determined.

AND WHEREAS by an Indenture dated the 26th day of June 1907, and made between the Secretary of State of the one part, and the Company under its said former name of the other part, it was agreed that, notwithstanding the said notice of the 21st day of June 1906, the existing contracts, subject to the variations or modifications effected or necessitated by the later of such contracts in the earlier of them, should remain in force, and the railways then maintained and worked under the same contracts, or any of them, should continue to be maintained and worked by the Company until the 30th day of June 1908, upon which day the same provisions should have effect as would, under the existing contracts, have had effect if the 30th day of June 1908 had been one of the days fixed by Clause 65 of the original contract for the determination by notice of such contract, and the same contract had been duly determined on that day by notice by the Secretary of State.

AND WHEREAS the said parties hereto are desirous that notwithstanding the notice so given as aforesaid, and the provisions of the hereinbefore recited Indenture of the 26th day of June 1907, the existing contracts shall (subject to the variations and modifications hereinafter mentioned) continue in force after the 30th day of June 1908.

AND WHEREAS the Secretary of State having become entitled to the undertaking of the Madras Railway Company has, as from the 1st day of January 1908, handed over to the Company the whole of the Railway system of the Madras Railway Company, with the exception of the section of that system between Jalarpet and Mangalore (including the Tirupattur-Krishnagiri and the Morappur-Dharmapuri narrow gauge lines, the Nilgiri metre gauge line to Ootacamund, and the Shoranur-Cochin metre gauge line) which section (including the lines aforesaid) has as from the same day been handed over by the Secretary of State to the South Indian Railway Company, Limited.

AND WHEREAS the Railways so handed over to the Company include that portion of the East Coast State Railway which extends from Madras to the junction at Waltair of the main line with the branch line to Vizagapatam and the junction station at Waltair and the said branch line (all of which are together hereinafter referred to as the Madras-Vizagapatam section) and also the sections of the Madras Railway lying between Arkonam and Guntakul, and between Madras and Bangalore, and between Raichur and Guntakul, respectively, and the Kolar Goldfields Railway.

AND WHEREAS the Secretary of State has also as from the said 1st day of January 1908, by arrangement with the South Indian Railway Company, Limited, handed over to the Company the section of the South Indian Railway north of Katpadi which includes the lines from Katpadi to Gudur and from Pakala to Dharmavaram.

AND WHEREAS the Railways handed over to the Company and the South Indian Railway Company, Limited, respectively, as aforesaid, were so handed over to the intent that the same might be worked as parts of the respective railway systems of the same respective Companies.

AND WHEREAS all the rolling stock and stores appropriated by the Madras Railway Company to the Madras-Vizagapatam section have been delivered to the Company, and the remaining rolling stock and stores of the Madras Railway Company have by arrangement between the Company and the South Indian Railway Company, Limited, been apportioned between the parts of the Madras Railway Company's system which have been handed over to the same respective Companies as aforesaid, and by a like arrangement the rolling stock and stores of the South Indian Railway Company, Limited, have been apportioned between the parts of the last-mentioned Company's system, which have been retained by it, and the parts of the same Company's system which have been handed over to the Company as aforesaid.

AND WHEREAS the rolling stock and stores apportioned as aforesaid to the railways so handed over to the Company as aforesaid have been delivered to the Company.

NOW THIS INDENTURE WITNESSETH and it is hereby agreed and declared as follows:—

1. The existing contracts, subject to the variations or modifications effected or necessitated by the later of such contracts in the earlier of them, and subject also to the variations and modifications thereof hereinafter contained, shall continue in force as though the said notice of the 21st day of June 1906 had not been given and the said Indenture of the 26th day of June 1907 had not been executed until the same contracts shall be determined under the provisions thereof respectively as hereby varied.

2. Clauses 2, 65, and 66 of the original contract shall no longer have effect, and the following provisions shall be deemed to be substituted for the same:—

(a) This contract may be determined by the Secretary of State on the 31st day of December 1937, or on the 31st day of December in any succeeding fifth year reckoning from that

date, by giving to the Company in London not less than twelve calendar months' previous notice in writing of such determination:

- (b) Upon the day on which this contract shall be determined by notice under the provisions hereinbefore contained, the Company shall deliver to the Secretary of State possession of all land of which he shall have allowed the Company possession under or for the purposes of this contract (except only such lands as may previously have been already re-delivered to him, or sold with his sanction), together with the stations, station yards, offices, warehouses, houses for employes, conveniences, rails, machinery, fixtures, and plant then erected or being on the land to be delivered up under this section, or in anywise belonging to the projected railway or any part thereof, and also deliver to the Secretary of State possession of any office in England of the Company, and deliver to the Secretary of State all rolling stock, moveable machinery, and plant belonging or appropriated either as regards purposes of construction or working or otherwise to the projected railway or any part thereof, or any of the works or adjuncts thereof, and all stores in hand or in the course of delivery on that day, and all plans, books, surveys, sections, printings, writings, and documents whatsoever in anywise connected with or with the construction of the projected railway or any part thereof, or any of the works or adjuncts thereof, and any electric telegraphs, telegraphic appliances, and other property belonging to the Secretary of State and then in the possession of the Company in connection with this contract, including all furniture and tenants' fixtures appropriated to the office in England of the Company. The Company will also on the day on which this contract shall be determined refund to the Secretary of State any money belonging to the Secretary of State which shall then be under the control or in the hands of the Company or any of its officials or agents, and the Secretary of State shall be bound to indemnify the Company, its property and effects, against all such then existing debts and liabilities (if any) incurred by the Company, with the sanction of the Secretary of State, in relation to this contract as would, but for the determination of this contract, have had under this contract, to be fulfilled or discharged by the Company at cost which would, under this contract, have been properly charged to capital or revenue. The Company, if required by the Secretary of State, shall, at any time after possession of any office in London of the Company

shall have been, under this section, delivered to the Secretary of State, execute, at the cost of the Secretary of State, and subject to any necessary consent, to any person nominated in that behalf by him, a proper assignment or assurance of the office last aforesaid:

- (c) The determination of this contract shall be without prejudice to the rights of either party against the other in respect of any covenant which may have been broken previously to the determination of the contract.

3. Clause 72 of the secondly mentioned contract of the 31st day of August 1887, referring to the determination of the original contract, and any similar provision contained in any other contract entered into by the Company and subsisting on the 31st day of December 1907 with respect to any railway then worked by the Company, shall be deemed to refer to the determination of the original contract under the provisions thereof as hereby varied, and Clause 2 of the secondly mentioned contract of the 31st day of August 1887 shall no longer have effect.

4. The Company shall, as from the 1st day of January 1908, maintain and work as part of the undertaking referred to in the original contract and the contracts supplemental thereto, the following lines, viz:—

- (1) the British section of the Guntakul-Yesvantpur Railway,
- (2) the Bellary-Rayadrug and Hospet-Kottur Railways,
- (3) the railways forming part of the Madras and South Indian Railway systems which have been handed over to it as aforesaid (except the Kolar Goldfields Railway).

and these lines shall, as from the 1st day of January 1908, be deemed to be part of the projected railway within the meaning of the original contract. These lines and the railways, which on the 31st day of December 1907, were being worked by the Company under the original contract and the contracts supplemental thereto are hereinafter referred to as the Company's and State lines.

NOTE.—By Contract of 12th August 1914 the Guntur-Tenali section of the railway from Guntur to Repalle is added to "the Company's and State lines."

4a. As from the 1st of January 1908 the contract of 21st August 1898 shall be cancelled, except sub-clauses (a) (c) and (d) of Clause 10 thereof and Clause 11 thereof which shall remain in force.

5. The existing system of management of telegraphs on the railways forming part of the Madras Railway system shall continue in force for such time as the Secretary of State may approve, and may be extended with his sanction to other portions of the Company's system.

6. The Railway worked under the secondly mentioned contract of the 31st day of August 1887 and the Birur-Shimoga, the Hindupur, and the Mysore-Nanjangud Railways (which four railways with the Kolar Goldfields Railway are hereinafter referred to as the Mysore State lines), and the other Native State and District Board Railways, which on the 31st day of December 1907 were being worked or had been agreed (when opened) to be worked by the Company, and the West of India Portuguese Railway shall also continue to form part or shall (when opened) form part of the Company's Railway system, and the same several railways and the Kolar Goldfields Railway (which shall as from the 1st day of January 1908 form part of the same system) shall be worked upon the terms of the several contracts subsisting with respect thereto respectively on the 31st day of December 1907, subject as to the Mysore State lines to the modifications in such terms hereinafter contained.

NOTE.—Clause 2 of the contract of 20th May 1914 is as follows:—

2. In any case in which under the contract or contracts subsisting on the 31st day of December 1907, with respect to the working by the Company of any of the railways referred to in Clause 6 of the Contract of 1908, the accounts of such railway are prepared with reference to the calendar year or any year other than the financial year of the Government of India, the terms of such contract or contracts shall as from the 1st day of April 1913 be deemed to be modified by the substitution of the financial year of the Government of India for the year with reference to which such accounts are under such contract or contracts now prepared, and accordingly the Mysore Contract shall as from the 1st day of April 1913 be read and construed as though in Clauses 1, 45, 46, and 48 thereof the word "September" were substituted for the word "June" and the word "March" for the word "December," and as though in the last-mentioned clause the word "April" were substituted for the word "January," and the word "October" for the word "July," and any references in any other of the Indentures hereinbefore mentioned to the Mysore Contract shall as from the date aforesaid be deemed to be references to the same contract as so modified. Provided always that if the consent of any person or corporation other than the parties hereto to the modification made by this clause in any contract shall be required, this clause shall have effect subject to such consent being obtained. Provided also that this clause shall not apply to the West of India Portuguese Railway or the contract or contracts relating thereto.

7. Clauses 26 to 30 (both inclusive) of the original contract as altered by the contracts supplemental thereto, and any provisions of such supplemental contracts substituted for any of the provisions of the same clauses and Clause 4 of the said contract of the 27th day of February 1889, shall as from the 31st day of December 1907 cease to have effect.

8. The capital of the Company's and State Lines, as on the 31st day of December 1907, shall be taken to be the sum of 46,500,000*l.*, of which 13,000,000*l.* shall be taken to be the capital of the Secretary of State, and 3,500,000*l.* shall be taken to be the capital of the Company, but the Secretary of State shall have the right at any time before the 1st day of July 1908 of requiring the Company to issue new capital stock of the Company not exceeding in the whole the sum of 1,500,000*l.* and to allot the same to such shareholders in the Madras Railway Company as the Secretary of State shall direct. Such stock shall be deemed to be fully paid up, and the allotment thereof shall be treated as a repayment to the Secretary of State of the same nominal amount of his share of the capital of the Company's and State Lines, and the Company's share of such capital shall be increased by the same amount.

These alterations were made as from 1st January, 1911, by Contract of 16th March, 1911.

9. All moneys which may, during the continuance of the original contract as hereby varied, be required for capital expenditure on the Company's and State lines, and on any lines which may be constructed under Clause 49 of the original contract, shall, at the option of the Secretary of State, be provided either by means of advances by the Secretary of State (which the Company shall repay when required by him to do so), or by the issue of debentures or debenture stock of the Company, or by the issue of further capital stock of the Company. All such debentures or debenture stock or capital stock shall be issued subject to such regulations and upon such terms and conditions and at such times and in such manner as the Secretary of State may approve, and as to debentures or debenture stock shall bear interest at such rate as the Secretary of State may approve, and no debentures or debenture stock or capital stock of the Company shall at any time be issued without the previous sanction of the Secretary of State. All moneys raised by the issue of debentures or debenture stock or capital stock of the Company as aforesaid, including any moneys paid by way of premiums, shall be paid into the Bank of England to the credit of the Secretary of State, and shall belong absolutely to the Secretary of State, who shall not be deemed a debtor to the Company in respect thereof. Moneys required for working the Company's and State lines shall be supplied to the Company by the Secretary of State according to such arrangements as shall from time to time be made between the Secretary of State and the Company.

*See Contract of 11th February, 1914, for conditions and regulations on 2,500,000*l.* issue.*

NOTE.—*Contract of 11th February 1914 records the Secretary of State's authority to the Company to issue £2,500,000 debenture stock and prescribes the regulations and conditions to govern any further issue to be authorised by the Secretary of State.*

10. Money advanced for capital expenditure by the Secretary of State under Clause 9 hereof shall until repaid be treated as further capital contributed by him. Any money paid by the Company to the credit of the Secretary of State under Clause 9 shall be applied in the first place to the repayment of any outstanding advances made by the Secretary of State under Clauses 9 or 13 hereof.

11. In exercising his power of determining the manner in which money required for capital expenditure is to be provided, the Secretary of State will, from time to time, allow the Company to increase its capital so that its share under the provisions hereinafter contained of the surplus receipts of the Company's and State lines may be as nearly as possible ~~ten-thirty thirds~~ *four-thirteenths*.

This alteration was made as from 1st January, 1911, by Contract of 16th March, 1911.

12. If any further debentures or debenture stock or capital stock of the Company shall be issued at a premium the amount of such premium shall be paid to the Secretary of State and used for the purpose of capital expenditure on the Company's and State lines, but the amount of the increase of the Company's share in the surplus receipts of the same lines shall be calculated by reference to the increase in the nominal amount only of such capital stock.

13. The provisions of Clauses 35 and 36 of the secondly mentioned contract of the 31st day of August 1887 shall continue to have effect with respect to the debenture stock therein mentioned and as regards all debentures or debenture stock of the Company issued with the sanction of the Secretary of State for the purpose of capital expenditure on the Company's and State lines which shall, for the time being, be outstanding, the Secretary of State will, as often as the half-yearly or other interest payable in respect of such debentures or debenture stock shall become due, pay out of the revenues of India to the Company in London in sterling the aggregate amount of such interest as a fund to meet and provide for the payment of such interest to the persons respectively entitled thereto, and will on the days provided by such debentures or by the terms of the issue of such debenture stock for payment of the principal thereby secured, pay to the Company in London in sterling the amount of the principal sums payable on such respective days in respect of such debentures or debenture stock as a fund to meet and provide for the payment of such principal moneys to the persons respectively entitled thereto, and the moneys so to be paid to the Company shall forthwith be paid by them into some bank to be agreed upon, to an account to be called "the Madras and Southern Mahratta Railway Debenture Account,"

and shall be applied by the Company in payment of such interest and principal to the persons respectively entitled thereto, as and when the same shall become due and payable. Provided always that in the event of the Secretary of State providing the money required for the discharge of the principal secured by any such debentures or debenture stock, other than the 1,200,000*l.* debenture stock issued under the secondly mentioned contract of 31st day of August 1887, the money so provided shall unless and until repaid to the Secretary of State be treated as money advanced for capital expenditure under Clause 9 hereof. Provided also that in any case in which any money paid by the Secretary of State to the Company for meeting the interest on, or discharging the principal of, debentures or debenture stock shall not within 12 calendar months have been claimed by the person or persons entitled thereto, the said money shall be repaid by the Company to the Secretary of State, and he will indemnify the Company against all liability in respect of the unclaimed principal or interest; and his capital shall be increased by the amount of any principal subsequently discharged by him under this proviso.

14. Subject to the provisions herein contained Clause 3 of the said contract of the 28th day of October 1885, and Clauses 4, 5 and 6 of the first-mentioned contract of the 31st day of August 1887 shall cease to have effect.

14*a.* Clause 41 of the original contract, and Clause 50 of the secondly-mentioned contract of the 31st day of August 1887, shall be modified by the addition of the following sub-clause after sub-clause 8 :—

All moneys from time to time contributed by the Company under the rules for the time being in force of the Company's Provident Institution to or for the purposes of that Institution.

15. The Secretary of State will during the continuance of the original contract and the contracts supplemental thereto as hereby varied until the same shall be determined hereunder pay out of the revenues of India to the Company in London in sterling interest at the rate of $3\frac{1}{2}$ per cent. per annum for each half-year ending on the 30th day of June and the 31st day of December (commencing with the half-year ending on the 30th day of June 1908) on the nominal amount of the capital stock for the time being of the Company, such interest to be paid on the 1st day of July or 1st day of January immediately following the close of such half-year.

16. As regards the division of the profits of the Company's and State lines and of the railway worked under the secondly mentioned

contract of the 31st day of August 1887 for the half-year ending on the 30th day of June 1908, the following arrangement shall have effect, that is to say, the Secretary of State shall be entitled to the whole of the net profits of the same several railways for such half-year, and shall pay to the Company in respect thereof, in addition to the interest payable under the last preceding clause, a sum of Rs. 6,99,533. 3. 2 (being an amount equal to the Company's share under the existing contracts of the net profits of the Southern Mahratta and Mysore Railways for the half-year ending on the 30th day of June 1907).

17. Subject to the last preceding clause, Clause 42 of the original Contract, as modified by the Contracts supplemental thereto, shall be further modified as follows:—

- (a) The application of receipts provided for by that clause shall be subject to the payment to the South Indian Railway Company, Limited, mentioned in Clause 29 hereof, and also to the payment to that Company and to the Kistna District Board respectively, of the rebates referred to in Clauses 30 and 39 hereof respectively *and to the payment to the Guntur District Board of any rebate to which such Board may be entitled under the arrangements between such Board and the Company.*
- (b) Sub-clauses (3), (4) and (5), and the concluding proviso of the same clause as previously modified, shall be cancelled, and the following sub-clauses substituted for sub-clauses (3), (4) and (5):—
- (3) In the next place, in payment of the equivalent in rupees of the interest for the half-year to which the receipts relate, which shall have been paid *or shall be payable* by the Secretary of State to the Company in respect of the Company's debentures and debenture stock (except the 1,200,000*l.* debenture stock created under the secondly mentioned contract of 31st August 1887) issued with the sanction of the Secretary of State for the purpose of capital expenditure on the Company's and State lines which shall for the time being be outstanding.
- (4) The surplus (if any) shall, subject to Clause 12 hereof, be divided between the Secretary of State and the Company in proportion to the respective shares in which the capital for the time being of the Company's and State lines (exclusive of debenture capital) shall have been contributed by them.

18. The gross receipts of the British section of the Guntakul-Yesvantpur and of the Bellary-Rayadrug and Hospet-Kottur Railways shall as from the 1st day of July 1908, be dealt with as part of the

The Tenali-Repalle Section of the Guntur-Tenali Railway is to be constructed and worked by the Company for the Guntur District Board. Contract of 12th August, 1914.

These words were added by Contract of 20th May, 1914.

receipts referred to in Clause 42 of the original contract as hereby varied, and the provisions of the contracts subsisting on the 31st day of December 1907 with respect to these lines shall be varied accordingly.

NOTE.—*The contract of 12th August 1914 provides that the receipts of the Guntur-Tenali section and any share of the gross or net earnings of the Tenali-Repalle section of the Guntur-Repalle Railway to which the Company may be entitled under the arrangements between the Company and the Guntur District Board as to the working by the Company of such last-mentioned section shall be dealt with as part of the receipts referred to in Clause 42 of the original contract as varied above.*

19. Subject to Clause 16 and to Clause 39 hereof, Clause 51 of the secondly mentioned contract of the 31st day of August 1887, shall be modified as follows:—

- (a) Sub-Clause 3 shall be cancelled:
- (b) Between sub-clauses (4) and (5) the following sub-clause shall be inserted:—

In the next place in payment of the interest payable on any capital expenditure incurred in respect of the undertaking after the 31st day of December 1907.

- (c) For sub-clause 5 the following sub-clause shall be substituted:—

The surplus, if any, shall be divided between and belong to the Secretary of State and the Company in the proportions of nineteenth-twentieths to the former and one-twentieth to the latter, and the one-twentieth belonging to the Company shall on the accounts being passed by the Government in India be forthwith paid over to the Company in India.

20. As regards each of the Mysore State lines other than the Railway worked under the secondly mentioned contract of the 31st day of August 1887, the Company as from the 1st day of July 1908, in addition to the payments to which it or (as regards the Kolar Gold-fields Railway) the Madras Railway Company was entitled under the contracts subsisting with respect to such line on the 31st day of December 1907, shall be entitled to one-twentieth of the surplus which shall remain of the net earnings of such line after payment thereof of the interest payable on any capital expenditure incurred in respect of such line after the 31st day of December 1907.

The words in italics in this clause were added by Contract of 20th May, 1914.

21. The Secretary of State shall be entitled to deduct and retain out of the share of surplus receipts payable to the Company in respect of each year (commencing on the 1st ~~January 1900~~ *April 1913*) under Clause 17 hereof (but not under Clauses 19 and 20 hereof), the equivalent in rupees of the guaranteed interest at the rate of $3\frac{1}{2}$ per cent. per annum for such year on the capital stock of the Company paid *or payable* by the Secretary of State to the Company under Clause 15 hereof, but if such share of surplus receipts in respect of any such year shall be less than the guaranteed interest for such year, the deficiency shall not be made good out of the share of surplus receipts payable to the Company in respect of any subsequent year. For the purpose of such deduction as aforesaid the Company's share of surplus receipts under Clause 17 hereof in respect of the first half of any such year shall, subject to the provisions of Clause 15 hereof, be retained by the Secretary of State until the Company's share in respect of the whole of such year shall have been ascertained.

For the purpose of this Clause the guaranteed interest paid or payable by the Secretary of State for such year shall be taken to be the aggregate of (1) one-half of the amount paid for the half-year ending on the 30th June in that year (2) the whole of the amount paid for the half-year ending on the 31st December in that year and (3) one-half of the amount (if any) payable for the half-year ending on the 30th June in the year next following.

In respect of the half-year commencing on the 1st July 1908 the Secretary of State shall be entitled to deduct and retain out of the Company's share of surplus receipts the guaranteed interest for the half-year, but if such share shall be less than the guaranteed interest, the deficiency shall not be made good out of the Company's share in respect of any subsequent half-year.

22. The rate of exchange for conversion of sterling money into rupees for the purposes of Clauses 17 and 21 hereof shall be the uniform rate of 15 rupees to the pound sterling prescribed by the said Indenture of the 8th day of April 1903, unless either the Secretary of State or the Company shall give to the other of the said parties in London twelve calendar months' notice in writing, substituting for such fixed rate the average rates specified in the secondly-mentioned contract of the 31st day of August 1887, in which case conversions shall after the expiration of such notice during the continuance of the original contract and the contracts supplemental thereto as hereby varied be made at such average rates.

See the definition of rate of exchange in Clause 1 of the Mysore State Line Contract of 31st August, 1887.

23. For Clause 68 of the original contract as modified by the contracts supplemental thereto the following clause shall be substituted :—

Upon the termination of this contract the Secretary of State shall

pay to the Company in London a sum equal to the nominal amount—

- (i.) Of the Company's existing capital stock of 3,500,000L. ;
- (ii.) Of any capital stock which shall have been issued by the Company at the request of the Secretary of State under Clause 8 hereof; and
- (iii.) Of any additional capital stock which shall have been issued with the sanction of the Secretary of State for the purposes of the Company's and State lines, and in respect of which full payment shall have been made to his credit under Clause 9 hereof.

24. For Clause 20 of the original contract and Clause 29 of the secondly-mentioned contract of the 31st day of August 1887, the following clause shall be deemed to be substituted :—

- (1.) The Secretary of State shall from time to time authorise maximum and minimum rates within which the Company shall be entitled to charge the public for services rendered, by way of, or in connection with, the conveyance of passengers or goods on the undertaking, and shall prescribe the several classes and descriptions of passengers and goods to which such rates shall be respectively applicable, as well as the extent to which within the maxima and minima so authorised the Company may vary the said rates in respect of the distance or weight, or special conditions under which such conveyance takes place or services are rendered.
- (2.) The Secretary of State shall give the Company not less than three calendar months' previous notice in writing of his intention to make any change in the rates or classification so authorised and prescribed, and unless the Company shall assent to such change it shall not be operative until the expiry of the said notice. Provided that when the Secretary of State shall declare that a change is necessary to meet a public emergency, it shall suffice for him to give such shorter notice as he shall consider reasonable.
- (3.) In making charges to the public for services under this Section the Company shall not, without the special sanction of the Secretary of State, calculate the same otherwise than in accordance with the rates authorised in the manner herein prescribed, or make any reduction by rebate or otherwise that will have the effect of bringing any rate actually paid below the minimum authorised in the manner herein stated.

- (4.) The term "goods" shall, as regards this clause, include everything conveyed on the undertaking, passengers only excepted.
- (5.) If the Secretary of State shall in the exercise of his control over maximum and minimum rates require the Company to reduce its charges for the carriage of salt below the rates now in force, he shall pay to the Company suitable compensation for any loss thence ensuing.

25. Clause 22 of the original contract shall, as regards any parts of the railways handed over to the Company as aforesaid which are not of the metre gauge, be construed as though the gauge referred to in such clause were the gauge of such parts of the same railways.

26. The seventh sub-clause of Clause 2 of the contract of the 28th day of October 1885 and the tenth clause of the contract of the 27th day of February 1889 shall be cancelled.

27. Clauses 43, 44, 46 and 47 of the original contract and Clauses 52, 53, 55 and 56 of the secondly mentioned contract of the 31st day of August 1887 shall be cancelled and the following provisions shall be substituted.

The Secretary of State may from time to time, when he shall be of opinion that it is desirable so to do for the public convenience, require the Company to enter into, and on the request of the Company will assist them in entering into, agreements upon reasonable terms as to payments, and under reasonable conditions and restrictions, with the administrations of any other railway or railways having junctions with the Company's system for the following purposes or any of them :—

- (a) For allowing the use of the railways or any parts of the railways respectively worked by them, such railways being of the same gauge, for the passage of one another's engines and trains.
- (b) For the supply to one another of any rolling-stock which shall not be required for their own purposes respectively.
- (c) For the interchange of traffic and rolling-stock, and the settlement and apportionment of through rates and charges for interchanged traffic.
- (d) For additions or alterations to or for the redistribution of existing accommodation in junctions or other stations and their appliances in view to their convenient use for the accommodation of one another's traffic, rolling-stock or working staff.

28. As from the 1st day of January 1908, the South Indian Railway Company, Limited, *or other the railway administration for the time being working the Jalarpet-Mangalore section of the Madras Railway Company, which has been handed over to the South Indian Railway Company, Limited, as aforesaid,* may exercise running powers over the whole or any part of the Madras-Bangalore section of the Madras Railway Company which has been handed over to the Company as aforesaid for both coaching and goods traffic interchanged between the Jalarpet-Mangalore section ~~of the Madras Railway which has been handed over to the South Indian Railway as aforesaid~~ and the Madras-Bangalore section.

The words in italics in this and the next three clauses were added by Contract of 16th March, 1911.

29. The South Indian Railway Company, Limited, *or such other railway administration as aforesaid* shall receive as payment for haulage 25 per cent. of the gross earnings derived by the Madras-Bangalore section from all traffic carried over that section in the trains of the South Indian Railway Company, Limited, *or such other railway administration as aforesaid.*

30. The South Indian Railway Company, Limited, *or such other railway administration as aforesaid* shall be entitled (in addition to the payment for haulage under the last preceding clause hereof) to a rebate of 25 per cent. of the gross earnings derived by the Madras-Bangalore section from the traffic interchanged between that section and the Jalarpet-Mangalore section *via* Jalarpet Junction, within the meaning of the agreement contained in the documents mentioned in the schedule hereto.

31. The South Indian Railway Company, Limited, *or such other railway administration as aforesaid* shall have power to quote through rates and fares for goods and passenger traffic from any station on the Jalarpet-Mangalore section to any station on the Madras-Bangalore section but not in the reverse direction. Such rates and fares so quoted shall be divided between the Company and the South Indian Railway Company, Limited, *or such other railway administration as aforesaid* in mileage proportion without any deduction for terminal or other special charges, except that in the case of traffic to and from the Nilgiri line the mileage over that railway shall be reckoned at twice its actual mileage in the mileage division of such rates and fares.

32. The locomotive and carriage and wagon workshops at Perambur shall, unless or until separate workshops may hereafter be provided, be available for the construction and repair of engines and vehicles of the South Indian Railway Company broad gauge section, but such workshops shall be under the sole control and management of the Company.

33. The Secretary of State may at any time during the continuance of the original contract as hereby varied, by notice in

writing, require the Company to convert the line from Guntakul to Bangalore into a standard or mixed gauge line, and the Company shall forthwith comply with such request, and the Secretary of State and the Company will at the same time agree as to the compensation if any to be received by the Company for any diminution consequent on and solely due to such conversion in the percentage received by the Company on its capital.

34. The Company shall (whether any such notice as mentioned in the last preceding clause shall have been given or not) use standard girders for the purpose of replacing any of the existing girders on the line from Guntakul to Bangalore of 100 feet span or upwards which may require to be renewed.

The words in italics were added by Contract of 16th March, 1911.

35. The Secretary of State may at any time during the continuance of the original contract as hereby varied, if a connection shall have been made between Nanjangud and any point on the railways now forming the South Indian Railway system, by notice in writing require the Company to transfer to the South Indian Railway Company, Limited, or other the railway administration for the time being working the Jalarpet-Mangalore section, the section of the Company's railway system between Bangalore and Nanjangud, and the Company shall thereupon transfer the same with all stations and works thereto belonging accordingly.

36.—(1.) The Secretary of State may, at any time during the continuance of the original contract as hereby varied, by giving six calendar months' previous notice in writing, require the Company to re-transfer to him the junction station at Waltair and the branch line to Vizagapatam, and the Company shall re-transfer the same, with all stations and works thereto belonging accordingly.

(2.) Until such re-transfer as aforesaid the Company shall allow the Bengal-Nagpur Railway Company, Limited, or other the railway administration for the time being working that portion of the East Coast State Railway which extends from Waltair to Cuttack, to use the said junction station and branch line and the stations and works thereto belonging, for the passage of engines and trains, and for such other purposes as the Secretary of State from time to time shall determine, upon such terms and conditions as may from time to time be agreed upon between the Secretary of State, the Company, and the Bengal-Nagpur Railway Company, Limited, or such other railway administration as aforesaid.

(3.) After such re-transfer as aforesaid the Company shall be allowed to use the said junction, station, and branch line, and the stations and works thereto belonging, for the passage of engines and trains and for such other purposes as the Secretary of State from time to time shall determine, upon such terms and conditions as may from time to time be agreed upon between the Secretary of State and the Company.

89

37. In the event of the transfer to the South Indian Railway Company, Limited, or such other railway administration as aforesaid of the Bangalore-Nanjangud section, or in the event of the re-transfer to the Secretary of State of the station at Waltair and branch line to Vizagapatam, the railways and works so transferred or re transferred shall cease to form part of the Company's Railway system, and no compensation shall be made by the Secretary of State to the Company for any loss of profit thereby occasioned to the Company.

The words in italics were added by Contract of 16th March, 1911.

38. During the continuance of the original contract as hereby varied the Company and the railway administration for the time being working that portion of the East Coast State Railway for the time being which lies to the north of Waltair (which portion is hereinafter called the Northern Section) shall, subject to such reasonable conditions as may from time to time be agreed upon between the Company and the said railway administration and be approved by the Government of India, exercise respectively the same powers of quoting through rates for traffic between any station on the Madras-Vizagapatam section (including any station on the Company's system within the limits for the time being of the municipality of Madras) and any station on the Northern Section up to and including Cuttack, and any station on any branch line for the time being of the Northern Section which joins the main line of that section at any point south of Cuttack, and between any station on the Northern Section and any station on the Madras-Vizagapatam Section up to and including Tadepalli, and any station on any branch line for the time being of the same section which leaves the main line thereof at any point north of Tadepalli, as the Company and the said railway administration might have respectively exercised if the Northern Section had been part of the Madras-Vizagapatam Section and that section had been part of the Northern Section. Provided always that all through rates for such traffic as aforesaid shall after deduction of all terminal and other charges be divided between the Company and the said railway administration in mileage proportion. Provided also that subject to any agreement which may be entered into between the Secretary of State and the Company on the re-transfer to the Secretary of State of the junction station at Waltair and the branch line to Vizagapatam, the Company shall have the same power of quoting through rates in respect of traffic to or from the said junction and any station on the said branch line as they would have had if such junction and branch line had continued to form part of the Madras-Vizagapatam Section. Provided also that no portion of the line now under construction or projected between Vizianagram and Raipur shall for the purposes of this clause be deemed to be a branch line of the Northern Section.

39. The Company shall, as regards the Bezwada-Masulipatam Branch Railway which has been agreed to be constructed and worked by the Company for the Kistna Local Board, pay to the said Local

*This alteration
made by Contract
of 20th May,
1914.*

Board in respect of and at the end of each calendar year, commencing at the opening of the same railway, by way of rebate, such a sum not exceeding in any year 10 per cent. of the share attributable to the Company's railway system of the gross earnings from traffic, except stores, interchanged between the Company's railway system and the said Branch Railway, as shall, together with the net earnings of the said Branch Railway for such year, make up an amount equal to interest for the year at the rate of $3\frac{1}{2}$ per cent. on the actual expenditure charged in its capital account. The moneys to be paid under this clause shall be calculated at the close of each year, but moneys may be paid at the close of the first half of each year on account, and subject to adjustment at the close of the year.

40. If the Secretary of State shall at any time or times during the continuance of the original contract as hereby varied by notice in writing so require, the Company shall forthwith, in accordance with the practice on State Railways, provide such suitable buildings for the Postal Department of the Government, with all requisite fittings, as the Secretary of State shall require at such station or stations on any part of the Company's and State lines as may be specified in such notice. The cost of such buildings shall be deemed to be capital expenditure on the same lines, and shall be provided in accordance with Clause 9 hereof, and the Postal Department shall pay for such buildings a yearly rental at the rate of $7\frac{1}{2}$ per cent. of the amount of the capital expenditure thereon, exclusive of the cost or value of the land occupied by such buildings, which rental shall be deemed part of the gross earnings of the Company's and State lines, and be applied accordingly.

In witness whereof SIR JAMES LYLE MACKAY, G.C.M.G., K.C.I.E., and SIR FELIX SCHUSTER, Baronet, being two Members of the Council of India, have hereunto set their hands and seals, and the Madras and Southern Mahratta Railway Company, Limited, have hereunto caused their Common Seal to be affixed, the day and year first above written.

Signed, sealed and delivered by
the said two Members of the
Council of India in the presence
of

JAS. L. MACKAY.

(L.S.)

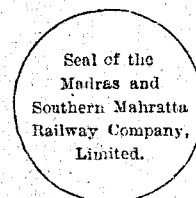
FELIX O. SCHUSTER.

(L.S.)

W. H. TREASURE,
India Office,
Assistant Solicitor.

The Common Seal of the Madras
and Southern Mahratta Rail-
way Company, Limited, was
hereunto affixed in the presence
of

W. S. S. BISSET, Director.
W. H. R. GREEN, Director.
EDW. Z. THORNTON, Secretary.



[SCHEDULE.

SCHEDULE.

1. Joint Memorandum signed by the Chairmen of the South Indian and Southern Mahratta Railway Companies of a Meeting between representatives of the two Companies held on 28th October 1907.
2. Letter from the Under Secretary of State for India to the Chairmen of the two Companies, dated 4th November, 1907, No. P.W. 2085.
3. Letter from the Managing Director of the South Indian Railway Company, dated 4th November 1907, No. 1342, and enclosure.
4. Letter from the Assistant Under Secretary of State for India to the two Companies, dated 20th November 1907, No. P.W. 2132.

Note.—The above documents are reprinted on the five pages next following.

Documents referred to in the Schedule attached to the Contract
of 26th June, 1908.

MEETING

HELD IN THE OFFICES OF

THE SOUTHERN MAHRATTA RAILWAY COMPANY,

46, QUEEN ANNE'S GATE, S.W.,

ON

28TH OCTOBER, 1907.

Present:

SOUTH INDIAN RAILWAY.	SOUTHERN MAHRATTA RAILWAY.
Sir HENRY KIMBER, BART., M.P., <i>Chairman.</i>	Col. Sir WILLIAM BISSET, K.C.I.E., R.E., <i>Chairman.</i>
NEVILLE PRIESTLEY, Esq., <i>Agent.</i>	Col. W. V. CONSTABLE, R.E., <i>Director.</i> Lt.-Col. E. Z. THORNTON, <i>Secretary.</i>

The following Memorandum shows the points discussed and the conclusions arrived at:—

As to the Madras-Bangalore Section, it having been decided that that section shall be owned by the Southern Mahratta Railway instead of being worked as a Joint Line—

1. It is agreed:

- (a) That the South Indian Railway may exercise running powers over the Madras-Bangalore Section or any part thereof for both Coaching and Goods traffic interchanged between the Jalarpet-Mangalore Section of the South Indian Railway and the Madras-Bangalore Section of the Southern Mahratta Railway.
- (b) That for the haulage of such interchanged traffic when carried in South Indian Railway trains, the South Indian Railway shall receive 25 per cent. of the gross receipts attributable to the Madras-Bangalore Section on such traffic.

2. It is proposed by the South Indian Railway:

That apart from the payment of haulage referred to in Clause 1, whenever this may be done, the South Indian Railway shall receive 25 per cent. of the gross receipts attributable to the Madras-Bangalore Section on traffic interchanged with the South Indian Railway system at Jalarpet.

The Southern Mahratta Railway consider that 20 per cent. would be more suitable, but are prepared to acquiesce in the decision of the Secretary of State on this point.

3. The South Indian Railway propose that the 25 per cent. plus 25 per cent. to them should apply to all traffic which may now or hereafter be interchanged between their system and the Madras-Bangalore Section at any other point besides Jalarpet, for example, Kaipadi, Arkonam, Madras and Bangalore when the Erode-Nanjangud line is completed; and should not be confined to the traffic interchanged at Jalarpet only.

The Southern Mahratta Railway are not prepared to agree to this.

4. It is proposed by the South Indian Railway:

That power (not reciprocal) should be given them to quote through rates and fares from and to any station on their system to and from any station on the Madras-Bangalore Section.

The Southern Mahratta Railway are not prepared to agree to this, but consider that the power to quote rates and fares should be reciprocal; that it should apply to goods traffic, but not to passenger traffic, except by agreement; and that it should apply only to traffic exchanged between the Jalarpet-Mangalore Section and the Madras-Bangalore Section and not to traffic exchanged between the latter section and the entire South Indian Railway system.

5. It is agreed:

That the Locomotive and Carriage and Wagon Workshops at Perambur shall, unless or until separate workshops may hereafter be provided, be available for the construction and repairs of the engines and vehicles of the South Indian Railway Broad Gauge Section, but that the workshops shall be under the sole control and management of the Southern Mahratta Railway officials.

(Signed) W. S. S. BISSET,
Chairman, S.M.R.

(Signed) HENRY KIMBER,
Chairman, S.I.R.

INDIA OFFICE,
WHITEHALL,
LONDON, S.W.,
4th November, 1907.

P.W. 2,085.

SIR,

With reference to the Joint Memorandum dated 28th October, signed by the Chairmen of the Southern Mahratta and South Indian Railway Companies on questions connected with the grant of running powers to the latter Company over the Madras-Bangalore line, I am directed to convey to you the decision of the Secretary of State for India in Council on the points regarding which the Companies have failed to agree.

(1) The payment to be made by the Southern Mahratta Company to the South Indian (in addition to the payment for haulage) is to be 25 per cent. of the gross receipts attributable to the Madras-Bangalore section on traffic interchanged at Jalarpet.

(2) The South Indian Railway is to have power to quote through rates and fares for goods and passenger traffic from any station on the Jalarpet-Mangalore line to any station on the Madras-Bangalore line, but not in the reverse direction.

(3) The following matters are to be left for consideration hereafter, viz.:—

(a) The grant to the Southern Mahratta Company (A) of running powers over the Jalarpet-Mangalore section of the South Indian system and (B) of the power to quote rates for traffic sent from the Madras-Bangalore line to the section in question, and

(b) The financial arrangements to be made between the two Companies in respect of traffic interchanged at junctions other than Jalarpet.

It is therefore unnecessary to deal in the agreement now to be made between the two Companies with the points included under 3 (A) and 3 (B).

I am to request that the two Companies will submit a joint estimate of the traffic in respect of which the South Indian system will receive the payment of 25 per cent. under (1) above.

I am, Sir,

Your obedient Servant,

A. GODLEY.

THE CHAIRMAN,
SOUTHERN MAHRATTA RAILWAY COMPANY.

SOUTH INDIAN RAILWAY COMPANY, LIMITED,
LONDON.

No. 1,342.

4th November, 1907.

SIR,

I have the honour to forward a Memorandum showing the income which is assumed to be derived by the Madras-Bangalore Section from traffic interchanged between that Section and the Jalarpet-Mangalore Section.

You will notice that the figures do not represent actuals of traffic interchanged in both directions, but this is the only estimate that can be presented, and must be taken for what it is worth.

You will please not to consider the figures are ours, or that this Company are responsible for their accuracy. They are all obtained from and by the courtesy of the Madras Railway Company to whom the India Office presumably referred us, that Company being the only source from which we could obtain them. And we assume that you wish us to consider them as a reliable basis for the ultimate figure which we understand you are about to propose to us for the working of the lines added to our System.

I am, Sir,

Your obedient Servant,

J. SHAW-STEWART,

Major-General, R.E.,

Managing Director.

THE UNDER SECRETARY OF STATE FOR INDIA,
INDIA OFFICE.

(COPY.)

4th November, 1907.

NOTE.

The only source from which information is obtainable in regard to the gross earnings derived from traffic exchanged between the Madras-Bangalore and the Jalarpet-Mangalore Sections is the printed statement prepared by the Madras Railway and entitled "General Analysis of Gross Earnings from Coaching and Merchandise Traffic for the year 1906."

This statement shews the income derived from traffic *received* by the Madras-Bangalore Section from each other section of the railway. But the traffic *despatched* is not similarly shewn by sections, and the whole of the income derived from *outwards* traffic is shewn under one entry.

While, therefore, it is apparently possible to say accurately what income was derived from the traffic *received* by the Madras-Bangalore Section from the Jalarpet-Mangalore Section, it is not possible to say with equal accuracy what income was derived from traffic *despatched* by the Madras-Bangalore to the Jalarpet-Mangalore Section. It is, however, possible to estimate a figure for the latter, if it be assumed that the traffic in one direction bears the same ratio to the whole as does the traffic in the other direction.

Working on this assumption, the figures would be as follows:—

A.

GROSS EARNINGS DERIVED BY THE MADRAS-BANGALORE
SECTION FROM TRAFFIC BOOKED TO AND FROM

Section.	Outwards to all stations except local to Section.	Inwards from all stations except local to Section.	Local to Section.
	Rs.	Rs.	Rs.
Madras-Arkonam ...	8,33,773	5,88,244	3,15,109
Arkonam-Katpadi ...	1,30,880	9,34,655	32,044
Katpadi-Jalarpet ...	1,09,560	13,00,254	48,324
Bangalore Branch ...	5,11,729	8,13,707	2,73,784
Total Madras-Bangalore...	15,85,942	36,36,860	6,69,261
Proportion of Outwards to Inwards ...	1	2.3	1
From Madras-Bangalore to Jalarpet-Mangalore and <i>vice-versa</i> ...	2,84,682 estimated.	6,54,769 actual.	—

Total traffic exchanged between Madras-Bangalore & Jalarpet- Mangalore <i>attributable to former</i> Section.	Inwards actual ...	6,54,769
	Outwards esti- mated ...	2,84,682
	Total ...	9,39,451

(Signed) HENRY KIMBER,
Chairman,
South Indian Railway Co., Ltd.

(Signed) W. S. BISSET,
Chairman,
Southern Mahratta Railway Co., Ltd.

P.W. 2,132.

INDIA OFFICE,
WHITEHALL,
LONDON, S.W.,
20th November, 1907.

Sir,

I am directed to inform you that the Secretary of State for India in Council accepts the estimate jointly submitted to him by the Chairmen of the Southern Mahratta and South Indian Railway Companies of the total traffic exchanged between Madras-Bangalore and Jalarpet-Mangalore Section attributable to the former section.

This estimate amounts to Rs. 9,39,451.

I am, Sir,

Your obedient Servant.

COLIN G. CAMPBELL.

THE SECRETARY,
SOUTHERN MAHRATTA RAILWAY COMPANY.

DATED 26TH JUNE 1908.

THE SECRETARY OF STATE IN
COUNCIL OF INDIA

AND

THE MADRAS AND SOUTHERN
MAHRATTA RAILWAY COMPANY
LIMITED.

Contract

FOR WORKING EXISTING LINES AND PARTS
OF MADRAS AND SOUTH INDIA RAIL-
WAYS (*AS AMENDED BY SUBSEQUENT
CONTRACTS TO THE END OF THE
YEAR 1914*).

94

DATED 11TH FEBRUARY 1914.

The Secretary of State in Council of India

AND

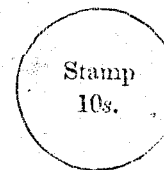
The Madras and Southern Mahratta
Railway Company, Limited.

Contract

AS TO

DEBENTURE STOCK.

95



This Indenture made the 11th day of February 1914
BETWEEN THE SECRETARY OF STATE IN COUNCIL OF INDIA
(hereinafter called "the Secretary of State") of the one part
and THE MADRAS AND SOUTHERN MAHRATTA RAILWAY
COMPANY, LIMITED (hereinafter called "the Company") of the
other part.

WHEREAS these presents are supplemental to an Indenture (hereinafter referred to as the original Contract) dated the 1st day of June 1882 and expressed to be made between the Secretary of State of the one part and the Company under its former name of the Southern Mahratta Railway Company, Limited, of the other part, being a Contract for the construction, maintenance, management and working of the Southern Mahratta Railway, and also to the following Indentures made between the same parties and supplemental to the original Contract and being Contracts relating to Railways worked as part of the undertaking of the Company, namely, an Indenture dated the 28th day October 1885 relating to the West Deccan Line, an Indenture dated the 31st day of August 1887 relating to the Bellary Railway, an Indenture dated the 27th February 1889 relating to the Kistna Railway, and an Indenture dated the 21st August 1898 relating to the British Section of the Guntakul-Yesvantpur Railway, and also to another Indenture dated the 31st August 1887 and made between the same parties as these presents being a Contract for the construction of an extension of the Mysore State Railway, and the maintenance and working of that Railway as a separate undertaking, and also to an Indenture dated the 8th day of April 1903 and made between the same parties as these presents being a Contract relating to the rate of exchange for conversion of pounds sterling into rupees for the purposes of the several contracts hereinbefore mentioned or some of them, and also to an Indenture made the 26th day of June 1908 between the Secretary of State of the one part and the Company of the other part (as modified by a Contract dated the 16th day of March 1911 and made between the same parties) hereinafter referred to as the present Working Contract.

AND WHEREAS by Clause 9 of the present Working Contract it is provided that all monies which may, during the continuance of the original Contract as thereby varied, be required for capital expenditure on the Company's and State lines and on any lines which may be constructed under Clause 49 of the original Contract shall, at the option of the Secretary of State, be provided either by means of advances by the Secretary of State or by the issue of debentures or

debenture stock of the Company or by the issue of further capital stock of the Company, and that all such debentures or debenture stock or capital stock shall be issued subject to such regulations and upon such terms and conditions and at such times and in such manner and as to debentures or debenture stock shall bear interest at such rate as the Secretary of State may approve.

AND WHEREAS by Clause 13 of the present Working Contract it is provided that the provisions of Clauses 35 and 36 of the secondly therein-mentioned Contract of the 31st August 1887 shall continue to have effect with respect to the debenture stock therein mentioned, and that as regards all debentures or debenture stock of the Company issued with the sanction of the Secretary of State for the purpose of capital expenditure on the Company's and State lines which shall for the time being be outstanding, the Secretary of State will, as often as the half-yearly or other interest payable in respect of such debentures or debenture stock shall become due, pay out of the revenues of India to the Company in London, in sterling, the aggregate amount of such interest as a fund to meet and provide for the payment of such interest to the persons respectively entitled thereto, and will on the days provided by such debentures or by the terms of issue of such debenture stock for payment of the principal thereby secured pay to the Company in London, in sterling, the amount of the principal sums payable on such respective days in respect of such debentures or debenture stock as a fund to meet and provide for the payment of such principal moneys to the persons respectively entitled thereto, and that the moneys so to be paid to the Company shall be dealt with as in the same clause mentioned.

AND WHEREAS further moneys are required for the purposes of the Company's undertaking, and the Secretary of State has authorised the Company to issue and the Company has issued debenture stock of the total nominal amount of 2,500,000*l.* (being part of an issue of 3,000,000*l.* debentures or debenture stock authorised by the Stockholders of the Company in general meeting whereof debentures for 500,000*l.* have been already issued) at the price of 99 per cent. bearing interest at the rate of 4*l.* per cent. per annum payable half-yearly on the 1st April and the 1st October in each year, such debenture stock to be redeemable by the Company at par on or at any time after the 1st day of October 1938 on 12 calendar months' previous notice in writing being given at the option of the Company and with the previous consent of the Secretary of State.

AND WHEREAS the Company has paid the sum of 2,471,537*l.* 17*s.* 5*d.* raised by the said issue of debenture stock for the nominal amount of 2,500,000*l.* to the credit of the Secretary of State at the Bank of England.

96

AND WHEREAS the Secretary of State may from time to time hereafter authorise the Company to raise further moneys for the purposes of the Company's undertaking by the issue of debentures or debenture stock.

AND WHEREAS it is desirable that the provisions hereinafter contained shall be applicable to the said debenture stock for 2,500,000*l.* and to any further debentures or debenture stock which may be issued by the Company with the sanction of the Secretary of State.

NOW THIS INDENTURE WITNESSETH AND IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:—

1. The money to be raised by the Company by any debentures or debenture stock to be hereafter issued with the sanction of the Secretary of State shall when raised be forthwith paid to the credit of the Secretary of State at the Bank of England. Every certificate for such stock and every such debenture and every advertisement and prospectus relating to any such debenture stock or debentures shall be in such form as shall have been previously approved by the Secretary of State.

2. Clause 13 of the present Working Contract shall have effect with respect to the said debenture stock for 2,500,000*l.* and to any such further debenture stock or debentures as aforesaid as if the same were embodied herein with the substitution of the words "of the present Working Contract" for the word "hereof."

3. Any interest paid by the Secretary of State to the Company under the provisions of Clause 13 of the present Working Contract as applied to the said debenture stock for 2,500,000*l.* and to any such further debenture stock or debentures as aforesaid shall be a charge on the Company's undertaking and within the provisions of Sub-clause 3 of Clause 42 of the original Contract as modified by Clause 17 of the present Working Contract. Provided always that in respect of the interest paid on the said debenture stock on the 1st day of October 1913 for the half year ending on the 30th day of September 1913 and chargeable as aforesaid, the Secretary of State shall credit to the Company's undertaking in the accounts of the said half year a sum which shall bear to the amount of such interest the same ratio as the balance of the moneys raised by the issue of the said debenture stock which remained in the hands of the Secretary of State at the end of the said half year (excluding the amount applied in repayment of advances made by the Secretary of State to the Company) bore to the total amount of such moneys.

4. On the 31st day of March 1914 and every subsequent 30th day of September and 31st day of March so long as any of the

moneys raised by the Company by the issue of the said debenture stock for 2,500,000L or such further debenture stock or debentures as aforesaid which shall have been paid to the credit of the Secretary of State at the Bank of England shall not have been either applied in repayment of advances made by the Secretary of State to the Company or paid by the Secretary of State to the Company for the purposes of the Company's undertaking, the Secretary of State shall credit to the Company's undertaking a sum equal to interest for the half year ending on such 31st day of March or 30th day of September, or as regards the first of such half yearly credits in respect of moneys raised by the issue of such further debenture stock or debentures as aforesaid for the period which shall have elapsed since the payment of any such moneys to the credit of the Secretary of State at the Bank of England, at such rate as hereinafter mentioned on the average balance of the moneys raised and not so applied as aforesaid which shall remain in the hands of the Secretary of State during such half year or other period, such balance to be calculated month by month in accordance with the present practice of the Government of India by increasing or decreasing the amount of the balance at the beginning of each calendar month or (in the case of the first of such months) of the fractional part thereof comprised in the period aforesaid by half the difference between the balances at the beginning and end of such month or fractional part of a month.

5. The rate of interest referred to in the last preceding clause shall be the average rate actually received by the holders of the said debenture stock or such further debenture stock or debentures as aforesaid on the moneys expended by them in taking up such debenture stock or debentures, regard being had to the issue price of such debenture stock or debentures and to any discount allowed on moneys paid in advance.

6. If the Secretary of State shall determine the original Contract under any provision therein or in the present Working Contract contained and shall take possession of the undertaking thereunder he shall be deemed to stand in the place of the Company so far as regards the subsequent liability of the Company on the said debenture stock for 2,500,000L or such further debenture stock or debentures as aforesaid, and thereupon the Company shall be discharged from any such liability to the holders of any such debenture stock or debentures. Any notice of redemption of such debenture stock or debentures may in these circumstances be given by the Secretary of State instead of by the Company, but shall, if the Secretary of State requires, be given by the Company.

IN WITNESS whereof Lieutenant-Colonel Sir David William Keith Barr, K.C.S.I., and Sir James Thomson, K.C.S.I., being two members of the Council of India, have hereunto set their hands and

seals, and The Madras and Southern Mahratta Railway Company, Limited, have hereunto caused their Common Seal to be affixed, the day and year first above written.

Signed, sealed, and delivered by
the above-named two Members
of the Council of India in the
presence of—
FRANK R. MARTEN,
India Office.

D. W. K. BARR.

L.S.

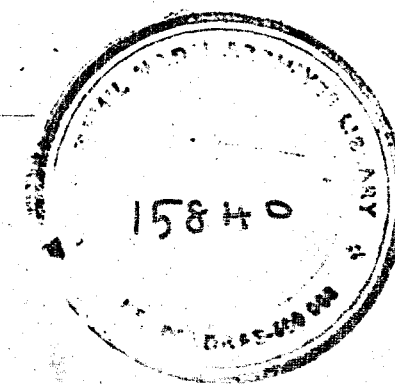
J. THOMSON.

L.S.

The Common Seal of the Madras
and Southern Mahratta Rail-
way Company, Limited, was
hereunto affixed pursuant to
a Resolution of the Board in
the presence of—

W. V. CONSTABLE, }
L. R. W. FORREST, } Directors.

H. BONHAM CARTER, Secretary.



X 415.211 N14

N14

Dated 11th February 1914.

The Secretary of State in
Council of India

AND

The Madras and Southern
Maharatta Railway Company,
Limited.

Contract

AS TO

DEBENTURE STOCK.

சென்னை 1913
செப்பெருவதற்காக எடுத்த
கொள்ளப்பட்ட நாள்
செப்பெரு முடிந்த நாள்
சாபார்க்கும் ஜமாய்ச்சி
மு.பா.எ. உதவியாளர்
கையொப்பம் கையொப்பம்
1913