C.F. 73.

Date taken out.	For what purpose.			Initials of clerk taking the paper or of attender.	Date returned.	Initials of attender.
	Department.	C. No.	Year.			

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following paper:—

From the Consulting Engineer for Railways, dated Madras, 11th March 1890, No. 173.

From the Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 13th February 1890, No. 5490/176.

Salem-Námakal Survey.

Your No. 50, dated 20th January 1890.

In compliance with the second paragraph of your letter quoted above, I have the honor to forward herewith, for record in your office, a brief descriptive report, furnished by the Company's Chief Engineer, of the survey of a proposed line from Salem to Námakal.

Enclosure.

Report of proposed line from Salem to Námakal.

The proposed line from Salem to Námakal was surveyed with the object of eventually extending the same to Karúr, a station on the South Indian Railway, and is 32 miles 60 chains long.

2. The survey was started from the termination of line proposed from Salem station to Salem town which, after crossing the Salem river with three 64 feet spans, runs along fairly level country for a length of 5 miles and crosses a range of hills for one mile, ascending and descending the same with gradients of 1 in 100 and cuttings of 10 feet and banks of 15 feet. The line, after passing over a further length of 5 miles, runs over a hill and across the public road at its lowest level by reverse curves of 30 chains with gradients of 1 in 105. The line hence runs through somewhat level country to the valley at the 18th mile, but owing to the ridge between the valley and the river at the 20th mile, heavy gradients of 1 in 103 and 1 in 100 are necessary up to the 20th mile, and with similar gradients to the ridge at the 22½ mile, from whence it is carried through an undulating country falling rapidly towards the Cauvery river valley at about five miles below the village of Námakal.

3. The gradients of line are as follows:—

	Mls.	Ch.
Gradients 1 in 100	3	30
Do. 1 in 100 to 1 in 200	12	73
Do. 1 in 200 to 1 in 800	8	67
Levels	7	50

4. Along the whole length of line the crossings are not heavy, there being only two rivers of any importance which could be crossed by three 64 feet openings, the other petty streams by 67 openings of from 3 to 12 feet in width.

5. The line has been carried as nearly as possible on the surface of the country, avoiding heavy rock cutting and banks, the heaviest cutting being 8 feet and banks of 16 feet in short lengths with an average run of 3 and 4 feet banks and cutting.

(Signed) H. R. P. CARTER,
Chief Engineer.

MADRAS,
12th February 1890.

From the Agent and Manager, Madras Railway Company, dated 6th March 1890, No. 5490/255.

Submitted for the information of Government.

ORDER—dated 15th March 1890, No. 371 R., Public Works.

Recorded.

(True Extract.)

Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

To the Consulting Engineer for Railways, with plan.
" Examiner, Guaranteed Railway Accounts.

Exd. T. K. Narayana Aiyangar.
Spare Copies.

RAILWAY.

Govt. of {1890} Madras.

PUBLIC WORKS.

Dated March, 15th.

Recd. *Encl.*

G.O., 15th Mar. 1890, No. 371 R.

MARCH.

Line from Salem to Namakal

Report and tracing of the survey of a proposed —, recorded.

2 L P

Report of Proposed Line from Salem to Namkal.

The proposed line from Salem to Namkal was surveyed with the object of eventually extending the same to Karur a station on the South Indian Railway and is 32 miles 60 chains long.

The survey was started from the termination of Line proposed from Salem Station to Salem Town which after crossing the Salem River with three 64 feet spans runs along fairly level country for a length of 5 miles and crosses a range of hills for one mile, ascending & descending the same with gradients of 1 in 100 and cuttings of 10 feet & Banks of 15 feet. The line after passing over a further length of 5 miles runs over a hill and across the Public Road at its lowest level by reverse curves of 30 chains with Gradients of 1 in 165. The line hence runs through somewhat level country into the valley at the 18th mile but owing to the ridge between the valley & the River at the 20th mile heavy gradients of 1 in 103 and 1 in 100 are necessary up to the 20½ mile & with similar gradients to the ridge at the 22½ mile, from whence it is carried through an undulating country falling rapidly towards the Cauvery River Valley at about 5 miles below the village of Namkal.

The Gradients of Line are as follows:—

Gradients 1 in 100	3 miles	30 Chs:
" 1 in 100 to 1 in 200	12 "	73 "
" 1 in 200 to 1 in 800	8 "	67 "
Level	7 "	50 "

Along the whole length of line the crossings are not heavy there being only 2 Rivers of any importance which could be crossed by three 64 ft. openings, the other petty streams by 6 openings of from 3 to 12 feet in width.

The line has been carried as nearly as possible on the surface of the country avoiding heavy Rock cutting & Banks the heaviest Cutting being 8 feet & Banks of 16 feet in short lengths with an average run of 3 and 4 feet Banks & cutting.

Madras Railway
Chief Engineers Office
12th February 1890

W. A. P. Carter
Chief Engineer

Wm Read
for Dy agent & Manager

Encl.

Encouragement Rly

5,000—14-11-85.

(No. II.)

No. 5490
176

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,

MADRAS, 13th February 1890

From

The Ag. Agent and Manager.

M R L.

To

The Consulting Engineer for Railways.

SIR,

Salem-Namakal Survey.

Your No. 50 of 20th Jany: 1890.

In compliance with the second paragraph of your letter quoted above, I have the honour to forward herewith for record in your office a brief descriptive report, furnished by the Company's Chief Engineer, of the Survey of a proposed line from Salem to Namakal.

I have the honour to be
Sir.

Your most Obedient Servt.

[signature]

Ag: Agent & Manager

(C 3.)

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,
Madras.

REGISTER
No. 327
FILE
No.

From

THE AGENT AND MANAGER.

To

The Consulting Engineer
for Railways.

Dated 6th March 1890.
Received 8th "

No. 6490
Your letter No. 1553 dated
15th February 1890.

The undersigned has the honor to forward herewith, as requested, a tracing of the survey of the proposed line from Salem to Namakal.

To ER

for Agent and Manager.

MADRAS RAILWAY.

From

The Agent and Manager.

To

The Consulting Engineer
for Railways.

Dated 13th February 1890
Recd. 14th —

No. 6490

Submitted under reference to Mr. Chief Engineer's letter No. 176 dated 15th February 1890.

Submitting a report by the Chief Engineer on the survey of a proposed line from Salem to Namakal.

Vide Letter to C.E. No. 1553 dt. 15th 2/90

FORM No. 1.

PUBLIC WORKS DEPARTMENT.

OFFICE OF CONSULTING ENGINEER FOR RAILWAYS,

Madras, 11th March 1890.

Letter from the Agent and Manager Madras Railway No. 5490/176 dated 13th February 1890 with enclosure.

Do ——— Do ——— No 5490/253 dated 6th March 1890 with enclosure.

Report and tracing of the Survey of a proposed line from Salem to Namkal.

SUBMITTED No. 173 for the information of Government.

Sd/- [illegible]

Major R.E.

for Consulting Engineer for Railways.

A Form No. 3.

No. 371 R & 15th March 190-

NCS 13 Mar

Recorded.

C&I 11.3.90

From

THE CONSULTING ENGINEER,
FOR RAILWAYS,
MADRAS,

No. 173

Dated 11th } March 1890.
Received 11 }

No. OF ENCLOSURES. 4 (+ one plan)

Subject.

Submitting for the information of Government Report and tracing of the survey of a proposed line from Salem to Rankal.

A

No. 371 R & 15th March 190

D 28/3

To The Consulting Engr. for Rys. with plan.
" Exr. Guts Bg: Accts:

2511.

Govt. of 18 } Madras.

PUBLIC WORKS.

Dated 1813

Rcvd. Encl.

G.O., 15 March 1890 No. 371 R.

Line from Calemb
Kunkal.

Report having
the money of
a proposed —
Recorded.

90
1/3

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following papers:—

From P. W. WOOLLEY, Esq., Secretary, Nílgiri Railway Company (Limited), to Colonel C. J. SMITH, R.E., Consulting Engineer for Railways, Madras, dated Coonoor, 21st December 1889.

Pursuant to a resolution of the Board of Directors of the Nílgiri Railway Company, I have the honor to request that sanction may be accorded to this Company to draw the sum of Rs. 30,000, being the amount of cash payable to the Nílgiri Rigi Railway Company (Limited) in lieu of shares, and the sum of Rs. 7,500 payable to them respectively under the terms of their Agreement of the 4th January 1884 with Mr. R. Woolley subsequently transferred to this Company.

From P. W. WOOLLEY, Esq., Secretary, Nílgiri Railway Company (Limited), to Colonel C. J. SMITH, R.E., Consulting Engineer for Railways, Madras, dated Coonoor, 24th December 1889.

Nílgiri Railway Company (Limited).

I have the honor to inform you that, by a resolution of the Board of Directors of the Nílgiri Railway Company, I have been directed to notify to the Madras Government, as representing the Secretary of State for India, that the capital of the Company has now been fully subscribed and the amount to be paid on application, viz., Rs. 2,50,000, has been received by the Company and is now lodged at the Agra Bank, Madras.

2. The shares have been allotted to the subscribers and share certificates will be issued as soon as practicable.

From P. W. WOOLLEY, Esq., Secretary, Nílgiri Railway Company (Limited), to Colonel C. J. SMITH, R.E., Joint Secretary to Government, Public Works Department, Railway Branch, dated Coonoor, 24th December 1889.

I have the honor to inform you that, by a resolution passed at a meeting of the Directors of this Company on the 21st current, I am directed to notify to you that an agreement for the construction of the railway between Mettupálaiyam and Coonoor was entered into by this Company with Mr. R. Woolley on that date.

2. I am also instructed to inform you that the Company has issued a debenture loan at 4 per cent. per annum (of which Mr. R. Woolley will pay 1 per cent. during construction) and in support of such issue, has executed a Debenture Trust-deed in favor of The Union Debenture Company of London, who have undertaken to finance Mr. Woolley, the *modus operandi* being the issue of debentures, upon the security of which, and security provided by Mr. Woolley, the money necessary for the completion of the Government contract will be advanced.

3. As officially noted in a separate letter of this date, the first instalment has already been paid.

4. The Trustees for the Debenture holders are—

Sir Frederick Pollock, K.C.I.E.
The Honorable Evelyn Ashley.
Major-General Sir Andrew Clarke, R.E., K.C.M.G., &c., &c.

From P. W. WOOLLEY, Esq., Secretary, Nílgiri Railway Company (Limited), to Colonel C. J. SMITH, R.E., Consulting Engineer for Railways, Madras, dated Coonoor, 28th December 1889.

Nílgiri Railway Company (Limited).

I have the honor to inform you that, by a resolution of the Board of Directors of the Nílgiri Railway Company, I have been directed to notify to the Madras Government, as representing the Secretary of State for India, that the capital of the Company has now been fully subscribed and the amount to be paid on application, viz., Rs. 2,50,000, has been received by the Company and is now lodged at the Agra Bank, Madras.

2. The shares have been allotted to the subscribers and share certificates will be issued as soon as practicable.

From Messrs. COWDELL AND WINTERTON, Solicitors, Nílgiri Rigi Railway Company (Limited), to Colonel C. J. SMITH, R.E., Joint Secretary to Government, Public Works Department, Railway Branch, dated Ootacamund, 30th December 1889.

We have the honor to enclose the marginally-noted document and to request that the Scheduled Contract, dated 26th day of February 1886, may now be delivered to the Nílgiri Railway Company as stipulated in the agreement attached to the last-mentioned document, and as authorized by the Release enclosed.

Release, dated 20th December 1889. From the Nílgiri Rigi Railway Company (Limited), to the Nílgiri Railway Company (Limited).

2. The Nílgiri Rigi Railway Company has received an undertaking from the Nílgiri Railway Company to pay them Rs. 30,000 and Rs. 7,500 out of the first money available for cash payments, and we enclose a requisition, which has been handed to us by that Company, asking the sanction of Government to make the payments agreed.

3. The answer to this enclosed letter will doubtless be sent to the Nílgiri Railway Company in due course. In sending the Release we think it advisable so far to connect the letters.

ENCLOSURE.

Release. THIS INDENTURE is made the Twentieth day of December One thousand eight hundred and eighty-nine BETWEEN THE NILGIRI RIGI RAILWAY COMPANY (LIMITED) a Company registered under the Indian Companies' Act, 1866, of the one part and THE NILGIRI RAILWAY COMPANY (LIMITED) a Company registered under the Indian Companies' Act, 1882, of the other part.

Parties.

Recital as to formation of the Nílgiri Rigi Railway Company (Limited). WHEREAS in the year One thousand eight hundred and eighty the said Nílgiri Rigi Railway Company (Limited) was formed for the purposes amongst others of ascertaining the best route and the best method of construction and system with a view to making a Railway from Mettupálaiyam to Coonoor or Ootacamund on the Nílgiri Hills and to that end preliminary surveys were made and an estimate of the cost of the proposed line obtained from Monsieur Riggenbach.

As to survey, &c. AND WHEREAS the said Nílgiri Rigi Railway Company (Limited) also procured to be made supplemental plans and a sectional survey of the proposed line.

As to cost of same and concessions. AND WHEREAS the said preliminary survey estimate and plans were made and prepared at the expense of the said Nílgiri Rigi Railway Company (Limited) and concessions were obtained

by them from the Secretary of State for India in Council comprising amongst other things the acquisition by Government of the land required for the said proposed Railway and the lease thereof to the said Nílgiri Rigi Railway Company (Limited) for 99 years free of rent.

Recital of Agreement with R. Woolley of 4th January 1884. WHEREAS by an Agreement made the 4th day of January 1884 between Messrs. Stanes and Company of Coonoor and Coimbatore as the Secretaries of and Agents for and on behalf of the Nílgiri Rigi Railway Company (Limited) of the one part and Richard Woolley of Woodcote, Coonoor, Esquire, of the other part whereby subject to the provisions of clause 9 thereof it was, *inter alia*, agreed that the said Richard Woolley should have the exclusive privilege of forming and should form and register a limited liability Company in India or England as he should deem most expedient with a sufficient capital for the construction maintenance working and carrying on of a Railway on the Rigi system or any modification thereof or any other system that might be found to be more desirable between Mettupálaiyam and Coonoor or Ootacamund as might be agreed upon within six months from the date of his being informed in writing by Messrs. Stanes and Company that the terms referred to in the succeeding clauses thereof had received the sanction and approval of the Secretary of State for India. THAT the Railway as finally decided upon should be constructed and furnished by the said R. Woolley in accordance with the survey plans and specification and for the amount of the estimate of the Engineer or Engineers therein mentioned subject to the usual alterations for omissions and additions and to the satisfaction of the Government of Madras as representing the Secretary of State for India AND the said R. Woolley also thereby undertook that the Company which he was to form as soon as it might be in a position to allot shares to the public and make payments in cash should hand over to the said Messrs. Stanes and Company or to their order in Coonoor or London at the option of the new Company fully paid up shares in such Company equal in value at the rate of exchange of the day to Rs. 30,000 and cash equal in value and in manner aforesaid to an amount not exceeding Rs. 8,000 and the said Nílgiri Rigi Railway Company (Limited) should then transfer the concession rights and privileges belonging thereto together with all plans sections printed and written papers which it might have acquired in connection with the proposed Rigi Railway to date of transfer to the proposed new Company AND it was thereby provided that the now reciting agreement was made and entered into subject to and on the express condition that the said Nílgiri Rigi Railway Company (Limited) should obtain from the said Secretary of State for India through the Madras Government by or before the 31st day of March next or as soon thereafter as might be practicable a guarantee substantially similar to that granted by the Bengal Government to the Darjeeling Steam Tramway Company or some modification thereof or some alternative guarantee which the said R. Woolley should consider sufficient to enable him to carry out the terms of the now reciting agreement and until such guarantee should be obtained and communicated to him in manner aforesaid no liability should attach to the said R. Woolley by virtue thereof.

Recital of Contract of 30th September 1885. AND WHEREAS by an Agreement dated the 30th September 1885 and made between the Secretary of State of the one part and the said Nílgiri Rigi Railway Company (Limited) of the other part the Secretary of State did undertake with the said Nílgiri Rigi Railway Company (Limited) that if prior to the 1st day of March 1886 a Joint Stock Company should be duly registered under the provisions of the Indian Companies' Act, 1882, or any subsisting statutory modification thereof with an Indian domicile a nominal capital of Two millions five hundred thousand Rupees and powers sufficient for the purpose of a certain Indenture set out in the schedule to the now reciting agreement and therein and in the now reciting agreement styled "The Scheduled Contract" and if the Company should prior to the 1st of March 1886 duly and formally execute in duplicate an Indenture identically in the words and figures of the Scheduled Contract with the addition thereto only of the names of the person executing the Indenture on behalf of the Secretary of State the name of the said Company executing the Indenture the names of the Directors of the said Company signing the said Indenture and the date of the Indenture and should on or prior to the said 1st day of March 1886 deliver to the Secretary of State the said Indenture in duplicate duly and formally executed by the Company HE THE SECRETARY OF STATE WOULD at any time afterwards at the request of the Nílgiri Rigi Railway Company (Limited) to be testified by some writing under its common seal execute and deliver the same Indenture which should thereupon become binding upon the parties thereto AND IT WAS FURTHER WITNESSED and the said Nílgiri Rigi Railway Company (Limited) in consideration of the premises did thereby for themselves their successors and assigns covenant with the said Secretary of State his successors and assigns that upon the formation and establishment of such a Joint Stock Company as thereinbefore mentioned the said Nílgiri Rigi Railway Company (Limited) should and would accept for the purchase of the survey plans and sections of and the concessions granted to such last-mentioned Company by the Secretary of State and for the outlay incurred by such last-mentioned Company in and about the survey of and otherwise in connection with the line of Railway to which the Scheduled Contract referred fully paid up shares in such Joint Stock Company representing the sum of Rs. 30,000.

AND WHEREAS the said Nílgiri Railway Company (Limited) was duly registered under the provisions of the Indian Companies' Act, 1882, on the 26th day of February 1886 and the name of the said Company entered in the Scheduled Contract as provided and on the 26th day of

February 1886 the Scheduled Contract was executed in duplicate by such Company and the Secretary of State.

Recital of Agreement of 18th February 1886.

AND WHEREAS by an Agreement in writing bearing date the 18th day of February 1886 and made between the said Nilgiri Rigi Railway Company (Limited) (thereinafter called the Company) of the one part and the said Richard Woolley of the other part after reciting the Agreement of the 4th day of January 1884 hereinbefore recited AND RECITING THAT by the said Agreement dated the 30th day of September 1885 and made between the Secretary of State in Council of India of the one part and the said Company of the other part it WAS AGREED that the Company to be formed for the purpose of constructing and carrying on the abovementioned Railway should have an Indian domicile only and that upon the registration of such Company an Indenture should be executed by and between the said Secretary of State and the said intended Company which Indenture should contain (*inter alia*) certain provisions prohibiting the Company from obtaining any of its capital or dealing with its shares or keeping a register of its shares in the United Kingdom AND RECITING that in consequence of such provisions it might become necessary for the said Richard Woolley in order to induce parties to apply for shares in the intended Company to give such parties a commission or bonus upon such shares as they might apply and pay for IT WAS BY THE NOW RECITING AGREEMENT agreed as follows :—

(1) THAT all moneys paid by the said Richard Woolley to bankers brokers syndicates or other parties in respect of the application by them or by their nominees for shares in such intended Company should be repaid to the said Richard Woolley by such intended Company so soon as such intended Company should be in a position to make such payment and at such times and in such manner whether in cash or by the allotment of fully paid up shares of such intended Company as the said Richard Woolley and such intended Company might thereafter mutually agree upon PROVIDED ALWAYS that no payment to be made to the said Richard Woolley under the provisions of the now reciting agreement should exceed Five per cent. upon the par value of the shares so applied for by such parties as aforesaid and should not be paid to him until Five shillings at the least had been paid up upon each of such shares AND PROVIDED LASTLY that no liability should attach to the said Nilgiri Rigi Railway Company (Limited) upon or in respect of the provisions of those presents.

Recital of Agreement of 29th June 1888.

AND WHEREAS by an Agreement in writing bearing date the 29th day of June 1888 and made between the said Secretary of State in Council of India (thereinafter referred as "The Secretary of State") of the first part the said Nilgiri Railway Company (Limited) of the second part and the said Nilgiri Rigi Railway Company (Limited) of the third part AFTER RECITING as hereinbefore recited AND RECITING that by section 54 of the said Contract of the 26th day of February 1886 IT WAS PROVIDED and thereby expressly agreed and declared by and between the Secretary of State and the said Nilgiri Railway Company (Limited) that the contract entered into thereby by the Secretary of State was subject to certain conditions as to the said Company obtaining its capital dealing with its shares and keeping a register of shares in the United Kingdom and stipulating for forfeiture in case of a breach of such conditions AND RECITING that the Secretary of State had with the consent of the Nilgiri Rigi Railway Company (Limited) agreed with the Nilgiri Railway Company (Limited) to allow them to raise any part of their capital elsewhere than in the East Indies upon the terms and conditions following IT WAS WITNESSED and by the now reciting agreement agreed and declared that anything in the said Scheduled Contract or the said Indenture of the 26th day of February 1886 to the contrary notwithstanding it should be lawful for the said Nilgiri Railway Company (Limited) by public solicitations by advertisements or otherwise howsoever to solicit and obtain subscriptions to the capital of that Company either in the said United Kingdom or elsewhere PROVIDED ALWAYS and it was by the agreement now in recital expressly agreed and declared by and between the parties thereto and those presents were entered into by the Secretary of State on the following conditions :—

(1) THAT the said Nilgiri Railway Company (Limited) had not obtained and should not obtain or seek to obtain any domicile other than a British Indian domicile and had not and should not have or seek to have their registered office elsewhere than in British India.

(2) THAT the said Nilgiri Railway Company (Limited) had not and should not have or keep any register of the shareholders of that Company at any place other than the registered office of the Company.

(3) THAT the said Nilgiri Railway Company (Limited) had not issued and should not issue to any person or persons Company or Companies Corporation or Corporations or Association or Associations any document evidencing the right or title of the holder thereof to any shares scrip or stock of the said Nilgiri Railway Company (Limited) or to become proprietor of shares scrip or stock of such Company elsewhere than in British India AND it was by the agreement now in recital further expressly agreed and declared by and between the parties thereto that if there had been or should be any breach of either of such last-mentioned conditions or in case the said Capital of Two millions five hundred thousand Rupees should not be fully subscribed for by the 1st day of January 1890 then and in either of such cases it should be lawful for the Secretary of State on ascertaining that there had been such breach or at any time

after the said 1st day of January 1890 as the case might be to forthwith determine the contract contained in the said Indenture of the 26th day of February 1886 and also those presents and thereupon every article clause and thing in the said Indenture of the 26th day of February 1886 and in the agreement now in recital contained on the part of the said Secretary of State should absolutely cease and determine without prejudice nevertheless to any rights which should have accrued or should accrue to the Secretary of State prior to or by reason of any such breach.

AND WHEREAS the said Nilgiri Railway Company (Limited) has not only been duly established but the whole of the capital has been or is about to be duly subscribed for and the Contract of the 26th February 1886 made by the said Secretary of State for India with the said Nilgiri Railway Company (Limited) is about to be carried out.

AND WHEREAS under the arrangements made and contemplated the said Nilgiri Railway Company (Limited) proposes to pay to the said Nilgiri Rigi Railway Company (Limited) Rs. 30,000 in cash in lieu of fully paid up shares representing such sum and also Rs. 7,500 in cash being the amount due by the said Nilgiri Rigi Railway Company (Limited) to Messrs. Stanes and Company and others or their assigns as provided in the said recited Agreement of the 4th day of January 1884 and the said Nilgiri Rigi Railway Company (Limited) has agreed to accept the said sums in full payment of all sums due by the said Nilgiri Railway Company (Limited) or the said Richard Woolley and to release in favor of the said Nilgiri Railway Company (Limited) the survey plans and sections and the concessions granted by the Secretary of State and also to authorize the delivery by the said Secretary of State to the said Nilgiri Railway Company (Limited) of the said Scheduled Contract dated the 26th day of February 1886.

NOW THIS INDENTURE WITNESSETH that in pursuance of the said Agreement and of all other Contracts Agreements Resolutions and Powers thereunto entitling or enabling them and in consideration of the said sums of Rs. 30,000 and Rs. 7,500 now paid the said Nilgiri Rigi Railway Company (Limited) do hereby release and for ever quit claim to any right under the said concessions or the said Scheduled Contract of the 26th day of February 1886 in favor of the said Nilgiri Railway Company (Limited) their successors and assigns.

AND the said Nilgiri Rigi Railway Company (Limited) do hereby authorize the delivery by the said Secretary of State to the said Nilgiri Railway Company (Limited) of the said Scheduled Contract dated the 26th day of February 1886.

IN WITNESS whereof the Common Seal of the said Nilgiri Rigi Railway Company (Limited) hath been hereunto affixed under a Resolution of the Board of Directors in the presence of two of the Directors and Secretary of the said Company the day and year first above written.

THE COMMON SEAL of the abovenamed Nilgiri Rigi Railway Company (Limited) was hereunto affixed in the presence of the undersigned Directors and Secretary of the said Company.

The Nilgiri Rigi Railway Company, Limited, Coonoor.

(Signed) R. J. BAKER, Major-General, } *Directors.*
(„) J. G. CLARKSON, }
(„) ROB. STANES, *Secretary.*

THE COMMON SEAL of the abovenamed Nilgiri Railway Company (Limited) was hereunto affixed in the presence of the undersigned Directors and Secretary of the said Company in accordance with the Resolution of the Board.

The Nilgiri Railway Company, Limited, Coonoor, Madras.

(Signed) R. N. BENSON.
(„) J. G. FINDLAY.
(„) PERCY W. WOOLLEY,
Secretary, Nilgiri Railway Company (Limited).

From P. W. WOOLLEY, Esq., Secretary, Nílgiri Railway Company (Limited), to Colonel C. J. SMITH, R.E., Joint Secretary to Government, Public Works Department, Railway Branch, dated Coonoor, 31st December 1889.

In my letter of the 21st current, I had the honor to inform you that the capital of the Company had been fully subscribed for and Rs. 2,50,000 paid to the Company. I am now instructed to inform you that the Directors have arranged for the payment of the Rs. 15 per share on allotment on the 31st of March next. These payments are compulsory under article 5 of the Articles of Association. All other payments to the Company will be arranged with the Government as provided in clause 22 of the concession.

2. I am also instructed to request that the amount already paid and all subsequent payments to the Company may be lodged to the credit of Government at the Agra Bank, Madras, and may carry interest from the respective dates of payment.

3. I am further instructed to inform the Government that as the Contractor is prepared to commence the final surveys at once, the Company will be glad to receive any suggestions which the Government may wish to offer with reference to the matters referred to in paragraph 2 of the concession, and to receive from the Government the usual authority to enter upon the lands required for making these surveys.

———

Letter from the Government Solicitor, dated Madras, 10th January 1890, No. 16.

———

Letter to the Secretary, Nílgiri Railway Company (Limited), dated Madras, 11th January 1890, No. 181 C.

———

Letter to the Government Solicitor, dated Madras, 11th January 1890, No. 182 C.

———

From the Consulting Engineer for Railways, dated Madras, 15th January 1890, No. 32.

From P. W. WOOLLEY, Esq., Secretary to the Nílgiri Railway Company (Limited), to Colonel C. J. SMITH, R.E., Consulting Engineer for Railways, Madras, dated Woodcote, Coonoor, 14th January 1890.

I have the honor to acknowledge your No. 181 C. of 11th current, and to inform you that I have submitted it to the Directors of the Company and have been instructed to reply as follows.

2. I send, herewith, a printed copy of the Trust Deed, which I must ask you to be good enough to return at your early convenience as it is the only copy available. The original, in triplicate, has been with the Collector of the Nílgiris for some time past for the purpose of adjudication for being stamped.

3. The Debentures are issued in accordance with the Articles of Association and the money is raised by Mr. R. Woolley by sale of the Debentures on terms arranged between him and the Union Debenture Company.

4. So far as this Company is concerned, there does not appear to be any objection to the arrangement being fully communicated to the Government in order to satisfy them of its substantial and *bonâ fide* character.

5. I avail myself of this opportunity to enclose, for your information, a printed copy of the amendments which have lately been made in the Articles of Association.

ENCLOSURES.

THIS INDENTURE made the Sixteenth day of December Eighteen hundred and eighty-nine BETWEEN THE NILGIRI RAILWAY COMPANY (LIMITED) (a Company incorporated under the Indian Companies' Act Eighteen hundred and eighty-two with a capital of Two million five hundred thousand rupees and hereinafter called the Company) of the first part and SIR FREDERICK RICHARD POLLOCK, K.C.S.I. of 12 Cambridge Square Hyde Park in the County of Middlesex Knight THE HONORABLE EVELYN ASHLEY of 61 Cadogan Place in the said County and SIR ANDREW CLARKE, K.C.M.G. of 52 Portland Place in the said County a Lieutenant-General in Her Majesty's Army (which three persons are hereinafter called the Trustees) of the second part and RICHARD WOOLLEY of Coonoor in the Presidency of Madras in the Empire of India of the third part.

WHEREAS by an Indenture dated the 26th day of February 1886 and made between the Secretary of State in Council of India (hereinafter called the Secretary of State) of the one part and the Company of the other part and hereinafter sometimes referred to as "the Concession" and being an Indenture entered into by the Secretary of State in pursuance of an option given by or contained in an Agreement dated the 30th day of September 1885 and made between the Secretary of State of the one part and The Nílgiri Rigi Railway Company (Limited) of the other part it was amongst other things agreed as follows that is to say (by Clause 2 thereof) that the Secretary of State might select and determine the route and direction of a line of railway to commence at or near Mettupálaiyam and to proceed by way of points at or near Kullar and Barliyár to a locality at or near Coonoor on the Nilgiri Hills (by Clause 3 thereof) that the Secretary of State should after the selection of the route and direction of the said line of railway to be constructed by the Company thereinafter and hereinafter called the said railway or of any part or parts thereof provide free of cost to the Company the land which should be proved to his satisfaction to be required for the said railway or for the part or parts so selected and for the works connected therewith and for proper stations station yards offices warehouses conveniences and works and should give to the Company notice that he the Secretary of State was prepared to give to the Company possession of such land and the Company should thereupon take possession of the same or of such part or parts of the said land as such notice should apply to (by Clause 4 thereof) that the Company should on receiving possession of land as provided under the last preceding clause proceed with diligence in the construction thereon of the said railway and of all such stations station yards offices warehouses machinery conveniences and works as should be necessary or expedient as well with reference to the original construction of the railway and the working thereof as with reference to its permanence and protection from injury by inundation or other cause whatsoever and that the railway constructed by the Company should be of such gauge and of such structural character and the permanent-way and the rolling-stock of the said railway should respectively be of such quality and description as the Secretary of State should from time to time approve (by Clause 5 thereof) that the Company should open the said railway for public traffic throughout and supply it with a good and sufficient stock of engines carriages wagons plant and machinery for working the same and which should be subject to such approval as aforesaid within three years from the date on which the first notice should be given to the Company that the whole or a substantial portion of the said land on which work might be commenced was ready for delivery to the Company.

PROVIDED ALWAYS that in calculating such period of three years any period between the date on which the Company should give notice to and should satisfy the Secretary of State that the Company was prepared to take over any portion of the said land suitable for commencing work as aforesaid and the date on which the Secretary of State should give to the Company notice that he was prepared to deliver possession of the same to the Company should not be taken into account (by Clause 6 thereof) that upon the said railway being completed and opened for public traffic throughout the Secretary of State would at his own expense and free of all expenses or cost to the Company whether by way of rent or otherwise grant to the Company a lease of or otherwise secure to the Company a right and title to the land which should have been provided under Clause 3 or so much of such land as should be permanently required for the purpose of the Company for a term of 99 years from the date on which the railway should be open throughout for traffic subject to the same being sooner determined under the provisions in that behalf thereinafter contained and the Secretary of State should guarantee to the Company the right to and possession of such land as against any claimant but should not be called upon to show any title thereto (by Clause 22 thereof) that the Company should pay into the Bank of Madras or such other bank or banks in Madras as might be approved of by the Secretary of State to the account of the Government of Madras the sum of 2,500,000 rupees by such instalments and at such times as the Secretary of State and the Company should agree to be requisite to ensure the due prosecution and completion of the said railway with all stations station yards warehouses machinery conveniences and works necessary or expedient in connection therewith and to ensure the said railway being adequately supplied with engines carriages rolling-stock plant and machinery and being duly opened for the conveyance of passengers and goods throughout (by Clause 23 thereof) that as often as any money should be required by the Company for purposes to which the

same was properly applicable under the Indenture now in recital the same might be drawn by the Company in Madras in such sums as should from time to time be shown to the satisfaction of the Government of Madras to be necessary and according to such arrangements as should be made from time to time with the Secretary of State for the purpose (by Clause 24 thereof) that if when the whole of the said sum of 2,500,000 rupees should after being paid into the Bank of Madras or such other bank or banks as aforesaid to the account of the Government of Madras have been drawn by the Company and expended by it the said railway with its stations station yards offices warehouses conveniences and works should not have been completed in all respects in conformity with the provisions of the Indenture now in recital and adequately provided with engines carriages rolling-stock plant and machinery and with sufficient working capital the Company should with the sanction of the Secretary of State provide the money necessary to defray the further expenditure requisite to enable the Company fully to carry out and give effect to the provisions of the Indenture now in recital and such money should be paid by the Company into the Bank of Madras or such other bank or banks as aforesaid to the account of the Government of Madras and the moneys so paid as last aforesaid might be drawn by the Company in the same manner as nearly as might be as if they had formed part of the aforesaid sum of 2,500,000 rupees (by Clause 25 thereof) that the Secretary of State would for the first three years during which the said railway should be in course of construction or until the said railway should be sooner completed and opened for traffic throughout which should first happen pay and advance to the Company in Madras half-yearly on the 1st day of January and the 1st day of July such sum of money as should be equivalent to 3 per cent. interest on the capital of the Company for the time being actually paid up and paid by the Company into the Bank of Madras or such other bank or banks as aforesaid as hereinbefore provided.

PROVIDED ALWAYS that nothing therein contained should render the Secretary of State liable to pay any such interest on any larger sum than 2,500,000 rupees in the whole or for a longer period than three years in the whole and that the interest on each individual sum should commence from the time when the same should have been paid into the Bank of Madras or such other bank or banks as aforesaid and (by Clause 26 thereof) that from and after the completion and opening of the said railway for traffic throughout and during the continuance of the Indenture now in recital the Secretary of State should pay and advance to the Company in Madras half-yearly on every 1st day of January and 1st day of July such sum as with the gross earnings of the Company during the preceding half-year should be equal to the sum of 100,000 rupees AND the concession also contained amongst other clauses and provisions a clause by which the Secretary of State was to be entitled at the expiration of 25 years from the date on which the said Railway should be open throughout to Coonoor for traffic or at the expiration of any subsequent period of 10 years to determine that contract and to resume possession of all land of which he had given possession to the Company and of all works and things thereon or otherwise belonging to the railway as therein mentioned upon the terms of paying to the Company a sum equal to 25 times the excess of the average yearly amount of the gross earnings of the Company during the five years immediately preceding the time of the termination of that contract over the average aggregate sum to which the working expenses of the Company should amount yearly during the same five years.

AND WHEREAS by an Agreement dated the Twentieth day of December 1889 and made between the Company of the one part and the said Richard Woolley of the other part and hereinafter referred to as the Works Contract it was in effect agreed that the said Richard Woolley should in manner and to the extent therein provided fulfil the obligations of the Company with reference to the construction and equipment of the said railway and should subscribe to or procure substantial subscriptions to the whole of the share capital of the Company other than the shares taken by the subscribers to their Memorandum of Association upon the terms of the Company creating and issuing to the said Richard Woolley forthwith debentures to the amount of £220,000 to bear interest at the rate of 4 per cent. per annum and to be in such form and upon such conditions as therein mentioned and upon the further terms of the Company paying to the said Richard Woolley the sum of 2,500,000 rupees cash at the times and in the manner provided for by Clause 23 of the Concession And the Works Contract also contained amongst other clauses and provisions a clause enabling the Company to re-enter on the works and to complete them in the event of the said Richard Woolley making default as therein mentioned.

AND WHEREAS the Company being duly empowered in that behalf by their Memorandum and Articles of Association have determined in pursuance of the Works Contract to create 2,200 debentures of £100 each in the form set forth in the Schedule hereto and to secure the same and the principal moneys owing in respect thereof in manner hereinafter appearing.

AND WHEREAS the said Richard Woolley is party hereto solely for the purpose of having vested in him the power of appointing a new trustee and of covenanting to pay the remuneration of the Trustees during the construction of the line as hereinafter provided.

NOW THIS INDENTURE WITNESSETH that in pursuance of the said Agreement in this behalf and in consideration of the premises the Company as beneficial owner (but subject always to the provisions and restrictions contained in the said Concession) hereby assigns to the Trustees—

First ALL and singular the land so to be provided by the Secretary of State as aforesaid and the rails stations warehouses machinery conveniences fixtures works and things to be laid down erected or affixed on the same and the said railway and the undertaking of the Company in connection therewith and also (if and so far as the same can be assigned hereby without registration under any law or statute of India corresponding to the Bills of Sale Acts) all and every the engines carriages rolling-stock and moveable plant and machinery now or hereafter belonging to or used in connection with the said railway and the said works.

Secondly ALL and singular the net profits of the Company arising in respect of the said railway or otherwise under the said Concession including in particular all sums payable by the Secretary of State as aforesaid in respect of interest during construction or by way of making the gross half-yearly earnings of the Company up to the sum of 100,000 rupees or otherwise together with full power to sue for recover and receive and to give good discharges for all and singular the sums of money aforesaid.

Thirdly ALL and singular other the rights and privileges of the Company under the said Concession and the full benefit thereof and the right to enforce the same by action petition of right or other legal proceeding whatsoever and for that purpose if and so far as necessary to use the name of the Company.

And Fourthly ALL the rights and privileges of the Company under the Works Contract and the full benefit thereof and the right to enforce the construction and equipment of the said railway and works and the other obligations of the said Richard Woolley thereunder by action or other legal proceeding whatsoever or otherwise and to take advantage of any clause of forfeiture therein and for the purposes aforesaid if and so far as necessary to use the name of the Company TO HOLD the said premises hereinbefore assigned (and which are hereinafter sometimes collectively referred to as the mortgaged premises) unto the Trustees their executors administrators and assigns absolutely but nevertheless upon the trusts hereinafter declared concerning the same.

AND IT IS HEREBY DECLARED that the mortgaged premises shall be held upon the trusts and with and subject to the powers and provisions following for securing and enforcing payment of the principal monies and interest owing in respect of the said debentures and that the respective rights duties powers and liabilities of the parties shall be regulated by the provisions following that is to say—

1. THE Trustees shall permit the Company to hold and enjoy all the mortgaged premises and to proceed to construct or to procure to be constructed the said railway and the works connected therewith and thereafter to carry on thereon and therewith the business of the Company without any interruption or disturbance by the Trustees until one or more of the following events (hereinafter called the events of default) shall happen that is to say—

(*a*) Default shall be made in payment of some interest secured by the said debentures for a period of six calendar months or in the payment of some principal monies thereby secured for a period of three calendar months after the same respectively have become payable.

(*b*) An order shall be made or an effective resolution passed for the winding up of the Company.

(*c*) A distress or execution shall be respectively levied or sued out upon or against any of the chattels or property of the Company or a Receiver or Manager of the Company appointed by any Court of competent jurisdiction or any other remedy enforced against them that may by Statute be substituted for distress or execution against Railway Companies in India or

(*d*) The Company shall have failed to perform or committed some breach of a covenant or agreement on their part herein expressed and such breach shall prejudicially affect the security intended to be hereby given to the Trustees.

2. From and after the happening of any one or more of the events of default the trustees may in their discretion and they shall upon the request in writing of a holder or holders of the said debentures to the aggregate amount of £10,000 or in case the amount of the said debentures for the time being outstanding shall at any time fall short of £50,000 then of a holder or holders of the said debentures to the amount of one-fifth of those then outstanding and in either case without any further consent on the part of the Company and notwithstanding any previous waiver of any other event of default enter upon and take possession of the mortgaged premises or any part thereof and may at their discretion and shall upon the like request sell call in collect and convert into money the same or any part thereof with full power to sell the said railway or any other part of the said mortgaged premises either together or in parcels and either by public auction or private contract and with full power upon every such sale to make any special or other stipulations as to title or evidence or commencement of title or otherwise which the trustees shall deem proper and with full power to buy in or rescind or vary any contract for sale of the mortgaged premises or any part thereof and to resell the same without being responsible for any loss which may be occasioned thereby and with full power to compromise and effect

compositions and for the purposes aforesaid or any of them to execute and do all such assurances and things as they shall think fit.

3. In any of the events of default other than the making of an order or the passing of a resolution for the winding up of the Company the Trustees shall not effect any sale calling in or conversion under the trust in that behalf hereinbefore contained unless and until they shall have given to or left at the usual or last known place of business of the Company notice in writing specifying the event of default complained of and the Company shall have failed as follows that is to say—

(*a*) In the case of the event of default consisting in the non-payment as aforesaid of some principal money or interest to prove to the reasonable satisfaction of the Trustees within three calendar months of such notice full payment of such principal money or interest.

(*b*) In the case of the event of default consisting in the levying of a distress or the suing out of an execution or the appointment of a Receiver or Manager or the enforcement of any other such substituted remedy as aforesaid to prove to the satisfaction of the Trustees within one week of such notice full removal discharge satisfaction and payment out such of distress or execution or the making of an order rescinding the appointment of a Receiver or Manager or the cesser of the enforcement of any such other remedy as aforesaid as the case may be and

(*c*) In the case of the event of default consisting in non-performance or breach of some covenant or agreement then to prove to the reasonable satisfaction of the Trustees within three calendar months or some longer time (if any) specified in the notice either performance of the covenant if still capable of performance or full satisfaction and reparation for the breach thereof After such failure of the Company as aforesaid the Trustees shall forthwith be entitled then or within three calendar months thereafter but not subsequently thereto by notice in writing given or left as aforesaid to declare the principal monies secured by the debentures to be payable and shall thereupon take such steps by advertisement or otherwise as they shall think fit to inform the holders of the said debentures of such declaration.

4. Upon any sale calling in collection or conversion purporting to be made in pursuance of the aforesaid trust in that behalf any purchaser or purchasers or other third parties shall not be bound to see or inquire whether any of the events of default have happened or whether any money remains owing on the security of these presents or whether any notice has been given to the Company or they have failed to make good their default in the manner aforesaid or as to the necessity or expediency of the stipulations and conditions subject to which any such sale shall have been made or otherwise as to the propriety or regularity of such sale calling in collection or conversion and notwithstanding any impropriety or irregularity whatsoever in any such sale calling in collection or conversion the same shall (so far as regards the safety and protection of any purchaser or purchasers or other third parties) be deemed to be within the trusts aforesaid and be valid and effectual accordingly and the remedy of the Company or their assigns in respect of any impropriety or irregularity whatsoever in the execution of the said trust for sale and conversion shall be in damages only.

5. The Trustees shall hold the monies to arise from any sale calling in collection or conversion under the trust in that behalf hereinbefore contained upon trust that they shall thereout in the first place pay or retain the costs and expenses incurred in or about the execution of such trust or otherwise in relation to these presents and shall apply the residue of the said monies.

First in or towards payment to the holders of the said debentures *pari passu* in proportion to the amounts due to them respectively and without any preference or priority whatsoever of all arrears of interest remaining unpaid on such debentures.

And Secondly in or towards payment to the holders of the said debentures *pari passu* in proportion to the amounts due to them respectively and without any preference or priority either on account of priority of issue or otherwise howsoever of all principal monies due on such debentures and shall pay the surplus (if any) of such monies to the Company their successors or assigns.

6. If the amount of the monies at any time apportionable under the last clause hereof shall be less than 10 per cent. or than such other proportion of the amount of the said debentures then outstanding as would in the opinion of the Trustees be sufficient for a substantial payment of the debentures outstanding the Trustees may at their discretion invest such monies upon some or one of the investments hereinafer authorised with power from time to time at the like discretion to vary such investments And such investments with the resulting income thereof may be accumulated until the accumulations together with any other funds for the time being under the control of the Trustees and applicable for the purpose shall amount to 10 per cent. or such other proportion as aforesaid of such of the said debentures as shall be outstanding and then such accumulations and funds shall be applied in manner aforesaid.

7. After the Trustees shall have made such entry as aforesaid and until the whole of the mortgaged premises shall be sold called in collected and converted under the trusts aforesaid the

Trustees may if they shall think fit so to do but not otherwise work and operate the said railway and otherwise carry on the business of the Company in and with the mortgaged premises or any part thereof and may manage and conduct the same as they shall in their discretion think fit and for the purposes of the said business may employ such superintendents agents managers officials engineers servants and workmen upon such terms as to remuneration and otherwise as they shall think proper and may renew or replace any rails rolling-stock buildings and effects that may be worn out damaged lost or otherwise become unserviceable and generally may do or cause to be done all such acts and things and may enter into such arrangements respecting the mortgaged premises or the working of the same or any part thereof or the business of the Company as they could do if they were absolutely entitled thereto and without being responsible for any loss or damage which may arise or be occasioned thereby and may also at their discretion demise or let the mortgaged premises or any part thereof upon such terms and subject to such stipulations as the Trustees shall think fit PROVIDED ALWAYS that the Trustees shall by and out of the tolls rates rents profits and income of the mortgaged premises and the moneys to be made and received by them in carrying on the said business pay and discharge the expenses incurred in and about such management or in the exercise of any of the powers aforesaid or otherwise in respect of the premises and all outgoings which they shall think fit to pay and shall pay and apply the residue of the said tolls rates rents profits and monies in the same manner as is hereinbefore provided with respect to the monies to arise from any sale calling in and conversion under the trusts aforesaid.

8. If the Trustees shall make entry in any of the events of default before the said Railway and Works shall have been duly constructed and equipped in accordance with the Works Contract then and in such case in addition to all powers of sale working management and otherwise hereby given to them the Trustees may in their absolute discretion and without being liable for any loss either surrender the railway to the Secretary of State or make the same over to any persons company or syndicate upon such terms as they may think fit or may make any agreements or arrangements that they may think fit for completing the construction or equipment of the said railways and works or of any part thereof either with the said Richard Woolley or in case of his default with any other contractor or contractors or may themselves proceed to complete such construction or equipment AND any expenses that may be incurred thereby on the part of the Trustees shall be forthwith repaid to them by the Company together with interest thereon at the rate of Ten per cent. per annum from payment AND in addition to all other methods the Trustees may raise and defray the amount of any such expenses by the creation of mortgages or charges or the issue of debentures bonds or obligations charged upon all or any part of the said railways and works and carrying such rates of interest and either prior or subsequent to or ranking *pari passu* with the said debentures as the Trustees shall think fit AND the amount secured by any such mortgages charges debentures bonds or obligations shall be deemed to be monies owing from the Company.

9. The Company may upon the 1st day of January 1915 or at any time thereafter upon giving eight months' previous notice in writing to the Trustees (such notice to expire upon one of the half-yearly days appointed for payment of interest upon the said debentures) at the expiration of such notice pay off the whole or any part of the said debentures for the time being outstanding In the event of such notice applying to part only of the said debentures the numbers of the debentures so to be paid off shall be determined by drawings to be made by the Company who shall at least seven months before the date of the expiry of the notice notify to the Trustees the numbers of the debentures so drawn for payment And the Trustees shall forthwith after the receipt of any such notice notify by advertisement in *The Times* or some other London daily paper the date upon which the said debentures will be paid off and in the case of the notice to pay off applying to part only of the said debenturses such advertisement shall specify the numbers of the debentures drawn for payment. Such payment shall be made by the Company paying to the Trustees the amount of the principal of the said debentures at par together with any interest or arrears of interest payable in respect of the same at the date of the expiration of the said notice and the receipt of the Trustees for the monies so paid shall be a full discharge to the Company for the same and the Trustees shall alone be responsible for making payment of the amount to the several holders of the debentures so paid off Upon such payment being made to the Trustees all liability of the Company for principal or interest in respect of the debentures so paid off shall cease and the Trustees upon paying to any of the holders of the said debentures the amount payable to them shall receive the debentures so to be paid off with the unpaid coupons belonging thereto and shall deliver such debentures with the unpaid coupons to the Company for cancellation The Company shall not except with the consent in writing of the Trustees withdraw or revoke any such notice.

10. Any monies which under the trusts herein contained ought to be invested may be invested in the names or under the legal control of the Trustees in any of the public stocks or funds or Government securities of the United Kingdom or in the stock of the Bank of England or in any other investments for the time being authorised by law for the investment of trust funds or may be placed on deposit in the names of the Trustees in such bank or banks as they may think fit.

11. The Trustees may at any time during the continuance of this security concur with the Company in any sale lease or other disposition of any part of the mortgaged premises for such consideration (if any) and upon such terms as the Trustees shall think to be proper and not detrimental to the security hereby given and may accept any substituted security for any part of the mortgaged premises that may be sold or disposed of And any consideration received by the Trustees on any such sale lease or other disposition may either be invested and kept as a security for the ultimate payment of the said debentures in the like manner as monies arising from the exercise of the power of sale and conversion hereinbefore contained and not sufficient for an immediate payment (but so that the immediate income of such investments shall until entry or sale under the powers aforesaid be paid to the Company) or may be allowed by the Trustees to be received and expended by the Company in any manner which the Trustees shall consider calculated to permanently or materially enhance the value of the premises for the time being subject to this security.

12. The Trustees may from time to time and at any time waive on such terms and conditions as to them shall seem expedient any breach or non-performance by the Company of any covenant or obligation on their part in these presents contained.

13. The Trustees may at any time or from time to time summon a meeting of the owners of the said debentures by 14 days' notice given in accordance with the conditions as to notice endorsed on the said debentures and stating generally the objects of the meeting Every such meeting shall be conducted as nearly as possible *mutatis mutandis* in accordance with the provisions as to General Meetings in the Articles of Association of the Company but so that voting power shall be strictly in proportion to the value of debentures held And if a majority in number representing three-fourths in value of the holders of the said debentures present at such meeting shall agree to any arrangement or compromise of their rights under the said debentures or these presents such arrangement or compromise shall thereupon and whether made before or in the course of any winding up of the Company be as binding on all the owners of the said debentures as if the Company were an English company being wound up and such arrangement or compromise had been agreed to and sanctioned by the court under the provisions of the Joint Stock Companies Arrangement Act 1870.

14. When and so soon as the Company shall have obtained as mentioned in Clause 6 of the Concession a lease of the land provided by the Secretary of State the Company shall notify the fact to the Trustees and shall forthwith proceed to assign or demise the said land to the Trustees in such form and either for the whole term or for such derivative term and generally in such manner as the Trustees shall require for vesting the same in them upon the trusts of these presents.

15. The Company hereby covenant with the Trustees as follows that is to say—

First That the Company will pay the principal monies and interest secured by the said debentures in accordance with the tenor thereof respectively and will observe and perform the several conditions indorsed thereon respectively

Secondly That the principal monies and interest intended to be secured by the said debentures shall be a first charge on the mortgaged premises and that the said principal monies and interest shall take precedence over all monies which may hereafter be raised by the Company by any means whatsoever and that as between the several holders thereof (except as herein otherwise provided) the said debentures shall rank *pari passu* in proportion to the amounts respectively secured thereby without any preference or priority by reason of date of issue or otherwise.

Thirdly That the Company will at all times keep at their registered office an accurate register of the said debentures showing the number and amount of each debenture and the date of issue And that the Trustees and the holders of the debentures or any of them shall be at liberty at all reasonable times to inspect the said register and to take copies of or extracts from the same or any part thereof.

Fourthly That the Company will during the continuance of this security carry on and conduct the traffic and business of the Company to the greatest possible advantage And will keep all proper traffic books and other books of account usually kept by Railway Companies and therein make true and perfect entries of all dealings and transactions of or in relation to the said business and that the said books of account and all other documents relating to the affairs of the Company shall be kept at the registered office of the Company or other place or places in Coonoor or Madras that may be approved of by the Secretary of State and by the Trustees in writing and that the same shall at all reasonable times be open for the inspection of the Trustees and such person or persons as they shall from time to time in writing for that purpose appoint And that the Company will at all times during the continuance of this security give to the Trustees or to such person or persons as aforesaid such information as they or any of them shall require as to all matters relating to the said business or any after acquired property of the Company or otherwise relating to the affairs thereof

Fifthly That the Company by enforcing the Works Contract or by employing contractors other than the said Richard Woolley or by some other ways or means will construct and

equip or procure to be constructed and equipped the said railway works and things in accordance with the terms of the concession and the requirements of the Secretary of State and with all due diligence and dispatch within the time mentioned in the said concession or such extended time as may be granted by the Secretary of State and will thereby and otherwise entitle itself to and obtain from the Secretary of State such a lease as mentioned in Clause 6 of the Concession of the land provided by him And in particular that the Company will for the purposes aforesaid and upon every reasonable request of the Trustees threaten and proceed to enforce every remedy of forfeiture or otherwise which may from time to time be available against the said Richard Woolley or any other contractor or contractors for the time being.

Sixthly That after the said railway shall have been opened for public traffic the Company will keep the same together with all permanent-way stations rolling-stock machinery works and things in or about the same in a good state of repair and in perfect working order and condition and so as to comply with the requirements of the Secretary of State and the obligations of the Concession and of every statute or ordinance for the time being relating to railways in the district And will if and when any permanent-way stations rolling-stock machinery works or things shall be worn out destroyed or lost renew and replace the same with others of at least equal value And will permit the Trustees and any person or persons whom they may from time to time for that purpose in writing appoint to enter into and upon the said railway and works to view the state and condition thereof and of the permanent-way stations rolling-stock machinery works and things in or upon the same respectively and used for the purpose of or in connection with the said business.

Seventhly That the Company will insure and keep insured such of the mortgaged premises as are of an insurable nature at ordinary risks in India against loss or damage by fire in their full value in such office as the Trustees shall for that purpose appoint and will duly pay the premiums and other sums of money payable for that purpose and immediately after every such payment deliver (if required) to the Trustees the receipt for the same and will apply all monies to be received by virtue of any such policy in making good any loss or damage which may so arise to the said premises or any of them.

Eighthly That if default shall be made in keeping the mortgaged premises in a good state of repair and in perfect working order and condition or so insured as aforesaid or in delivering any such receipt as aforesaid the Trustees may repair the mortgaged premises or such of them as shall in their opinion require reparation and may insure and keep insured the mortgaged premises or such of them as they may deem fit and that the Company will on demand repay to the Trustees every sum of money expended by them for the above purposes or any of them with interest at the rate of £5 per cent. per annum from the time of the same respectively having been expended and that until such repayment the same shall be a charge upon the mortgaged premises.

And lastly that the Company will immediately upon the receipt from the Secretary of State during the continuance of this security of any notice determining the concession communicate the same to the Trustees and the Company shall not thereafter without the consent in writing of the Trustees permit the withdrawal of any such notice.

16. Upon proof being given to the reasonable satisfaction of the Trustees that all the debentures entitled to the benefit of the trusts herein contained and for the time being issued have been paid off or satisfied and upon payment of all costs charges and expenses incurred by the Trustees in relation to these presents the Trustees shall at the request of the Company reconvey to the Company the mortgaged premises or such part thereof as may remain vested in them freed and discharged from the trusts herein contained.

17. The said Richard Woolley shall until the said railway shall be opened for traffic throughout pay the Trustees by way of remuneration for their services the yearly sum of £150* the first payment to be made on the 1st day of January 1891 and from and after the opening of the said railway the Company shall in addition to all and every the costs charges and expenses of the Trustees incurred in the course of or in connection with the trusts of these presents pay the Trustees by way of remuneration for their services the yearly sum of £300 the first payment thereof to be made within twelve months from such opening and all such yearly sums shall be divided amongst the Trustees equally And it is hereby declared that the Trustees may retain or pay as well the aforesaid remuneration as all and every their said costs charges and expenses out of any monies or property coming to their hands under the trusts aforesaid.

* Subject to modification agreed on (Signed) R. W. & P. W. W.

18. The Trustees may at any time or from time to time delegate to any person or persons all or any of the trusts powers or discretions imposed on or given to them by these presents, and any such delegation may be made for such period and upon such terms and conditions generally (including power to sub-delegate) as the Trustees may think fit.

19. The Trustees shall not be liable for any failure or neglect to exercise any of their powers hereunder or for any *bonâ fide* mistake or omission or for the defaults of any delegate or agent officer or servant appointed or employed by them or by any other act or default in the

premises other than the actual fraud or wilful personal negligence of the Trustee sought to be made liable.

20. THE number of the Trustees hereof shall not exceed and shall always so far as possible be three but this direction shall not prevent two Trustees or a single Trustee from acting effectually during a vacancy in their number nor shall any purchaser or other third party dealing with them or him be entitled to inquire or be effected by notice of the time (however long) during which any vacancy or vacancies may have lasted A majority of the Trustees for the time being shall in the event of the absence of any Trustee be entitled to act as fully and effectually in the execution of all and every the trusts and powers of these presents as all the Trustees for the time being PROVIDED that not less than seven days or in the case of great urgency 24 hours' notice shall be given to each Trustee of all intended acts and proceedings of the Trustees.

21. THE statutory power of appointing a new Trustee or new Trustees of these presents shall be exerciseable in manner following that is to say. In case either the said Sir Frederick Richard Pollock or the said The Honorable Evelyn Ashley or any Trustee appointed in the stead of either of them shall cease to be Trustee hereof the place so vacated shall be filled up by a person to be appointed by the survivor of the said Sir Frederick Richard Pollock and the Honorable Evelyn Ashley or as the case may be the survivor of the Trustees appointed in the places of the said Sir Frederick Richard Pollock and The Honorable Evelyn Ashley and in case both the said Sir Frederick Richard Pollock and the Honorable Evelyn Ashley or both the Trustees appointed in their places shall at one and the same time cease to be Trustees hereof then the executors or administrators of the survivor of the said Sir Frederick Richard Pollock and The Honorable Evelyn Ashley or as the case may be The Trustees appointed in their places shall appoint two new Trustees in place of the persons so ceasing to be Trustees And in case the said Sir Andrew Clarke or any Trustee appointed in his stead shall cease to be a Trustee hereof the place vacated shall be filled up by a person to be appointed by the said Richard Woolley his executors or administrators.

22. In the construction of these presents and except where the context shall otherwise require the expression "the Trustees" shall be deemed to include not only the said parties hereto of the second part but the survivor or survivors of them or other the Trustees or Trustee for the time being of these presents.

IN WITNESS whereof the Nílgiri Railway Company (Limited) have hereunto caused their Common Seal to be affixed and the parties hereto of the second and third parts have hereunto set their hands and seals the day and year first above written.

THE SCHEDULE above referred to.

(*Form of Debenture.*)

THE NILGIRI RAILWAY COMPANY (LIMITED).

Issue of 2,200 *Debentures of* £100 *each, carrying interest at the rate of* 4 *per cent. per annum, and repayable on the* 1*st day of January* 1918, *if not previously redeemed.*

No.

DEBENTURE.

£100.

1. THE NILGIRI RAILWAY COMPANY (LIMITED) (hereinafter called the Company), will on the 1st day of January, 1918, or on such earlier day as the principal monies hereby secured shall become payable in accordance with the conditions endorsed hereon, pay to the Bearer hereof, on presentation and delivery up of this Debenture, the sum of £100.

2. The Company will also until the said sum of £100 shall become payable, and thereafter until actual payment thereof, so far as the non-payment thereof shall be due to the neglect or default of the Company, pay interest thereon at the rate of 4 per cent. per annum, by equal half-yearly payments on the 1st day of January and the 1st day of July in every year in accordance with the Coupons annexed hereto.

3. The Company hereby charges with the aforesaid payments all their property whatsoever and wheresoever, both present and future, except any uncalled capital for the time being and any capital called or paid, which may be employed or needed for the construction of their line under the terms of their Concession, and except also any extension of their Railway and undertaking which the Company may construct under any new or extended Concession, and pay for out of a fresh issue of capital or obligations of the Company.

4. This Debenture is issued subject to the conditions endorsed hereon.

Dated the Sixteenth day of December 1889.

Directors.

Secretary.

THE CONDITIONS WITHIN REFERRED TO.

1. This Debenture is one of a series of 2,200 Debentures, each for securing the principal sum of £100, issued or about to be issued by the Company. The Debentures of this series shall rank *pari passu* and without preference or priority *inter se* as a first charge on the property hereby charged, but by way of floating security only, and so as not to preclude or hinder any sale, lease, exchange, or other dealing by the Company in the course of their business, except that the Company shall not create any mortgage or charge on the said property, having priority to the said Debentures.

2. Annexed to this Debenture are 56 coupons, each providing for the payment of a half-year's interest, and such interest will be payable only to the bearer of each such coupon, and on presentation and delivery up thereof.

3. The bearer of this Debenture shall be regarded as exclusively entitled to the benefit hereof, and to give good discharges for the principal monies hereby secured, and the Company shall not be bound to take notice of any trust or equity in favor of any other person. In case this Debenture shall become payble before the 1st day of January, 1918, the bearer must on payment surrender herewith or submit to a deduction in respect of all coupons representing subsequent interest being allowed an apportioned amount of any coupon representing a current half-year's interest.

4. This Debenture is entitled in common with all the other debentures of the said issue to the benefit of an Indenture of Trust dated the 16th day of December, 1889, and made between the Company of the first part, Sir F. Richard Pollock, K.C.S.I., The Honorable Evelyn Ashley, and Sir Andrew Clarke, K.C.M.G. (thereinafter called the Trustees), of the second part, and Richard Woolley of the third part; whereby the Company have conveyed and assigned to the Trustees the property of the Company therein mentioned upon trusts for securing and enforcing the payment of the principal monies and interest secured by the said Debentures.

5. Under the provisions of the said Indenture of Trust, the Company may upon the 1st day of January, 1915, or at any time thereafter, upon giving eight months' notice in writing to the Trustees (such notice to expire upon one of the half-yearly days appointed for payment of interest upon the said Debentures), at the expiration of such notice pay off the whole or any part of the said Debentures for the time being outstanding. In the event of such notice applying to part only of the said Debentures, the numbers of the Debentures so to be paid off shall be determined by drawings to be made by the Company, who shall at least seven months before the date of the expiry of the notice, notify to the Trustees the numbers of the Debentures so drawn for payment, and the Trustees shall forthwith, after the receipt of any such notice, notify by advertisement in *The Times*, or some other London daily paper, the date upon which the said Debentures will be paid off, and in the case of the notice to pay off applying to part

only of the said Debentures, such advertisement shall specify the numbers of the Debentures drawn for payment, such payment shall be made by the Company paying to the Trustees the amount of the principal of the said Debentures at par, together with any interest or arrears of interest payable in respect of the same at the date of the expiration of the said notice, and the receipt of the Trustees for the monies so paid shall be a full discharge to the Company for the same, and the Trustees shall alone be responsible for making payment of the amount to the several holders of the Debentures so paid off. Upon such payment being made to the Trustees, all liability of the Company for principal or interest in respect of the Debentures so paid off shall cease, and the Trustees, upon paying to any of the holders of the said Debentures the amount payable to them, shall receive the Debentures so to be paid off, with the unpaid Coupons belonging thereto, and shall deliver such Debentures, with the unpaid Coupons, to the Company for cancellation. The Company shall not, except with the consent in writing of the Trustees, withdraw or revoke any such notice.

6. It is further provided by the said Indenture of Trust, and is one of the terms of this Debenture, that the Trustees thereof for the time being may at any time or from time to time summon a meeting of the Bearers of the said Debentures by 14 days' notice, given in accordance with the conditions as to notice hereon endorsed, and stating generally the objects of the meeting. And that every such meeting shall be conducted, as nearly as possible, *mutatis mutandis* in accordance with the provisions as to General Meetings in the Articles of Association of the Company, except that voting powers shall be strictly in proportion to the value of Debentures held. And that if a majority in number, representing three-fourths in value of the Bearers of the said Debentures present at such meeting, shall agree to any arrangement or compromise of their rights under the said Debentures, or the said Indenture of Trust, such arrangement or compromise shall thereupon, and whether made before or in the course of any winding up of the Company, be as binding on all the owners of the said Debentures as if the Company were an English limited company in course of being wound up, and such arrangement or compromise had been agreed to and sanctioned by an Order of the Court, under the provisions of the Joint Stock Companies Arrangement Act, 1870.

7. The principal monies hereby secured shall immediately become payable in any of the following events, that is to say:—

(*a*) If the Company make default for a period of six calendar months in the payment of any interest hereby secured,

(*b*) If an order is made, or an effective resolution is passed, for the winding up of the Company; or,

(*c*) If and when the Trustees of the said Indenture of Trust shall under the powers thereof be entitled to declare and shall declare the principal of the said Debentures to be payable.

8. Any notice may be served upon the bearer of this Debenture by advertisement inserted twice within a week in at least two London daily newspapers.

9. The principal monies and interest hereby secured will be paid at the Agra Bank, No. 35, Nicholas Lane, Lombard Street, E.C., or some other bank in the City of London, of which at least one calendar month's notice shall be given by advertisement as aforesaid.

(Form of Coupon.)

THE NILGIRI RAILWAY COMPANY (LIMITED.)

Debenture No.

Interest Coupon No.

For Two Pounds (less Income Tax) half-year's interest due on the 1st day of payable at the Agra Bank, No. 35, Nicholas Lane, Lombard Street, E.C.

£2: 0: 0.

Secretary.

The Common Seal of the Nilgiri Railway Company (Limited) was hereunto affixed pursuant to an order of the Board of Directors in the presence of

The Nilgiri Railway Company, Limited.

(Signed) R. M. BENSON, } *Directors.* L.S.

(„) J. G. FINDLAY, } L.S.

(„) PERCY W. WOOLLEY, *Secretary.* L.S.

(„) RICHARD WOOLLEY. L.S.

Executed by the abovenamed Company and Richard Woolley in the presence of

(Signed) T. N. KOTHENDA RAM,
2nd-class Magistrate, Coonoor.

Subordinate Magistrate, Coonoor.

20*th December* 1889.

Signed sealed and delivered by the abovenamed Richard Woolley in the presence of

(Signed) A. S. COWDELL of Ootacamund,
Solicitor.

(„) PERCY W. WOOLLEY of Coonoor,
Planter.

THE NILGIRI RAILWAY COMPANY, LIMITED.

Special Resolutions passed 27th November 1889; confirmed 14th December 1889.

TO THE REGISTRAR OF JOINT STOCK COMPANIES.

Notice is hereby given that, at an Extraordinary General Meeting of the Nílgiri Railway Company, Limited, duly convened, and held on the 27th November 1889, at the Company's Office, Coonoor, the following resolutions were duly passed as special resolutions; and at a subsequent Extraordinary General Meeting of the said Company, duly convened, and held at the same place, on the 14th of December 1889, the said resolutions were duly confirmed as special resolutions:

That the Articles of Association be altered in manner following:—

1.—That Articles 5, 6, and 14 be omitted, and in substitution therefor the following Articles be inserted, namely—

"5. The Capital of the Company is Rs. 25,00,000, divided into 25,000 shares of Rs. 100 each, but the "Capital may by Special Resolution (from time to time) be reduced or increased, and the shares into which "the Capital or any part thereof shall for the time being be divided may be consolidated or sub-divided into "shares of greater or less nominal value."

"6. Subject always to the terms of any special contract relating to the issue of the whole or any part "of the shares for the time being constituting the Capital of the Company, or the payment or satisfaction of "or for the same or any part thereof, the shares shall be under the control of the Directors, who may allot or "otherwise dispose of the same to such persons on such terms and conditions, and at such times as the "Directors think fit, and either at a discount, premium or otherwise, and either wholly or partly paid up, and "for a consideration other than money, subject nevertheless to the stipulations contained in the said agreement "of the 30th September, 1885, with reference to the shares to be allotted in pursuance thereof."

"14. Subject to the provisions of Article 6, the Directors may from time to time make such calls upon "the Members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each Member shall pay the amount of every "call so made on him to the persons, and at the times and places appointed by the Directors. A call may be "made payable by instalments."

2.—That Article 94 be varied by omitting sub-clause (*c*) thereof, and inserting instead of such sub-clause the following, namely—

"(*c*). At their discretion to pay for any property or rights acquired by or services rendered to the Company, and to pay, satisfy or discharge the liabilities of the Company in respect of any contract entered into "by the Company or by any person on behalf of the Company, either wholly or partially in cash or in shares, "bonds, debentures, debenture stock, or other securities of the Company, and any such shares may be issued "either as fully paid up or with such amount credited, as paid up thereon as may be agreed upon, and any "such bonds, debentures, debenture stock, or other securities may be either specifically charged upon all or "any part of the property of the Company, and its uncalled capital, or not so charged."

3.—That Article 94 be further varied by the addition, at the end of sub-clause (*t*) thereof, of the following words, namely—

"And to enter into an agreement intended to be entered into between the Company and the said Richard "Woolley, or between the Company and some other competent contractor, for the construction and equipment "of the Railway from Mettupálaiyam to Coonoor mentioned in Article (*d*) of the Memorandum of Association "of the said Company, upon such terms and conditions as to the Directors may seem fit and proper."

4.—That the Articles of Association be varied by the insertion therein of the following clause, to be numbered 96*a*, namely—

"96*a*. The Directors are hereby empowered and directed, upon the intended agreement mentioned or "referred to in the concluding paragraph of Article 94 (*t*) hereof being entered into, to create and issue "£220,000 sterling debentures or debenture stock (as they may think fit), the same to be payable on such "date and in such manner, and bearing interest at 4 per cent. per annum, from the date of the creation and "issue of the said debentures or debenture stock, and payable yearly or half-yearly as the Directors may from "time to time determine, such debentures or debenture stock and any part thereof to be issued at par, a premium, or a discount as the Directors shall from time to time determine, and to be secured as a floating charge "by a mortgage to trustees or otherwise as the Directors may decide, of and upon the Company's interests, under "the Indenture of the 26th February, 1886, between the Secretary of State and the Company, and the whole "of the Company's assets, inclusive of the capital subscribed, or to be subscribed to the Company; and the "said debentures or debenture stock as and when created shall forthwith be handed to the said Richard "Woolley or other the contractor who shall enter into the said intended agreement as and in part satisfaction "of the consideration to be payable or satisfied by the Company under the said agreement."

Dated at Coonoor aforesaid this _____ day of _____ 1889.

Chairman.

Endorsement from the Joint Secretary to Government, Public Works Department, Railway Branch, dated 16th January 1890, No. 300 C.

Letter from the Government Solicitor, dated Madras, 28th January 1890, No. 49.

ENCLOSURE.

REGISTER of Shareholders of the Nílgiri Railway Company (Limited).

Number.	Names.	Number of shares taken by each.	Address.	Date of Register.	To whom transferred.		Amounts paid or agreed to be considered as paid on each share.
					Date of transfer.	Name. Address.	
1	Richard Woolley	1	Wodoote, Coonoor, Contractor	26 February 1886			Paid Rs. 10.
2	H. C. King	1	Madras, Solicitor	7 March 1887			Agreed to be paid Rs. 10.
3	N. G. Benson	1	Coonoor, Planter	7 March 1887			Paid Rs. 10.
4	J. G. Findlay	1	Coonoor, Planter	7 March 1887			Paid Rs. 10.
5	P. W. Woolley	1	Coonoor, Hotel Owner	7 March 1887			Paid Rs. 10.
6	C. T. C. Gray	1	Madras, Solicitor	14 March 1887			Agreed to be paid Rs. 10.
7	C. W. Wilson	1	Coonoor, Contractor	14 April 1886			Paid Rs. 30,000.
8—3007	Richard Woolley	3,000	Coonoor, Gentleman	14 December 1889			Paid Rs. 10.
3008	R. M. Daly	1	Ootacamund, Solicitor	14 December 1889			Paid Rs. 10.
3009	A. S. Cowdell	1	Coonoor, Engineer	14 December 1889			Paid Rs. 10.
3010	P. Thompson	1	Coonoor, Contractor	14 December 1889			Paid Rs. 2,19,900.
3011—25000	Richard Woolley	21,990					

(Signed) P. W. WOOLLEY,
Secretary.

25th January 1890.

Letter from the Secretary, Nílgiri Railway Company (Limited), dated Coonoor, 1st February 1890.

Endorsement from the Consulting Engineer for Railways, dated Madras, 5th February 1890, No. 87.

Letter from the Secretary, Nílgiri Railway Company (Limited), dated Coonoor, 3rd February 1890.

Letter to the Secretary, Nílgiri Railway Company (Limited), Coonoor, dated 5th February 1890, No. 634 C.

Letter to the Government Solicitor, Madras, dated 7th February 1890, No. 700 C.

Letter to the Secretary, Nílgiri Railway Company (Limited), Coonoor, dated 8th February 1890, No. 706 C.

From Messrs. COWDELL and WINTERTON, Solicitors of the Nílgiri Railway Company, Ootacamund, to the Joint Secretary to Government, Public Works Department, Railway Branch, dated Ootacamund, 8th February 1890.

We have the honor to acknowledge on behalf of the Nílgiri Railway Company your letter No. 634 C. of the 5th instant, and in reply have the honor to state:—

1. The works contract or construction agreement in duplicate entered into between the Nílgiri Railway Company and Mr. R. Woolley has been sent to the Collector of Nílgiris for the purpose of adjudication and being stamped and is now with him or the Board of Revenue, to whom he submitted certain questions regarding the stamping of one of the documents connected with the present transaction. We enclose a copy which we believe to be correct, and have no objection to one of the original parts being sent to you by the Collector of Nílgiris or Board of Revenue for comparison. There are no Notaries in this district, nor are the originals with us.

2. Seven shares were taken up and are held by the original seven subscribers to the Memorandum of Association or their assigns. These subscriptions were duly accepted, and the Company carried on business and sent in returns to the Registrar of Joint Stock Companies from its formation to the present time. Three additional subscribers took shares and their subscriptions were accepted, and they were allowed to vote as from the 14th December last. Mr. Woolley's subscription for the remaining shares was formally made and accepted by the Directors at a meeting held on the 21st December last, and at a meeting of the Directors held on the 23rd idem the Directors directed the Secretary to issue to Mr. Woolley the usual letter of allotment on receipt of the deposit of Rs. 2,49,900. This sum was received by the Secretary on the 24th idem, and was sent by the Secretary to the Agra Bank (Limited) for credit of the Company on the 25th idem. The letters of allotment were *pro formâ* sent out after the Christmas holidays, and belong to the shareholders. Copies were not kept by the Secretary.

The receipt for the amount transmitted to the Agra Bank was sent to the Auditor of the Company on the 2nd instant, and can be forwarded to you if you desire, or you can inquire at the Bank, should you prefer. We authorise you to do so.

We are both willing and anxious to give you any further information to satisfy you that the subscription for the shares was fully made before the end of the year, but the payment of the deposit seems to be the best evidence.

We enclose attested copies of the Resolutions which apply to Mr. Woolley's subscription and to its acceptance by the Company.

ENCLOSURE.

AN AGREEMENT made the Twentieth day of December One thousand eight hundred and eighty-nine BETWEEN THE NILGIRI RAILWAY COMPANY LIMITED a Company registered under the Indian Companies Act (No. VI of 1882) and having its Registered Office at Coonoor in the Presidency of Madras in the Empire of India of the one part and RICHARD WOOLLEY of Woodcote Coonoor aforesaid Esquire (hereinafter referred to as "the Contractor") of the other part.

WHEREAS by an Agreement dated the Thirtieth September One thousand eight hundred and eighty-five and made between the Secretary of State in Council of India (hereinafter referred to as "the Secretary of State") of the one part and the Nílgiri Rigi Railway Company Limited of the other part provision was made for the registration of a Company with a view to the construction of a Railway and other Works in accordance with a draft intended Contract which was scheduled to the Agreement now in recital AND WHEREAS the Nílgiri Railway Company Limited (hereinafter referred to as "the Company") was incorporated by registration on the Twenty-sixth February One thousand eight hundred and eighty-six under the Indian Companies Act No. VI of 1882 with a nominal capital of Two million five hundred thousand Rupees in Twenty-five thousand shares of One hundred Rupees each and with powers for the construction of a Railway and other Works in India AND WHEREAS the Company is the intended Company referred to in the said Agreement of the Thirtieth September One thousand eight hundred and eighty-five AND WHEREAS by an Indenture dated the Twenty-sixth February One thousand eight hundred and eighty-six and made between the Secretary of State of the one part and the Company of the other part (being a copy of the Contract scheduled to the said Agreement of the Thirtieth September One thousand eight hundred and eighty-five) it is provided that the Company shall on land to be provided by the Secretary of State and on a route selected by him construct the Railway therein mentioned with all necessary incidental works and shall maintain the said Railway when open for traffic AND it is further provided amongst other things (Clause 22) that the Company shall pay into the Bank of Madras or such other Bank or Banks in Madras as may be approved of by the Secretary of State to the account of the Government of Madras the sum of Two million five hundred thousand Rupees by such instalments and at such times as the Secretary of State and the Company shall agree to be requisite to ensure the due prosecution and completion of the said Railway with all necessary incidental conveniences and works and to ensure the said Railway being adequately supplied with Engines Carriages Rolling-stock Plant and Machinery and being duly opened for the conveyance of passengers and goods throughout AND (Clause 25) that the Secretary of State will for the first three years during which the said Railway shall be in course of construction or until the said Railway shall be sooner completed and opened for traffic throughout which shall first happen pay and advance to the Company in Madras half-yearly on the first day of January and the first day of July such sum of money as shall be equivalent to Three per cent. interest on the Capital of the Company for the time being actually paid up and paid by the Company into the Bank of Madras or such other Bank or Banks as aforesaid as thereinbefore provided PROVIDED ALWAYS that nothing therein contained shall render the Secretary of State liable to pay any such interest on any larger sum than Two million five hundred thousand Rupees in the whole or for a longer period than three years in the whole AND the interest on each individual sum shall commence from the time when the same shall have been paid into the Bank of Madras or such other Bank or Banks as aforesaid AND WHEREAS by an Agreement dated the Twenty-ninth June One thousand eight hundred and eighty-eight and made between the Secretary of State of the first part the Company of the second part and the said Nílgiri Rigi Railway Company of the third part the provisions of the said recited Indenture of the Twenty-sixth February One thousand eight hundred and eighty-six were modified in various respects and it was thereby expressly agreed and declared by and between the parties thereto that if there had been or should be any breach of either of certain conditions therein mentioned or in case the said Capital of Two million five hundred thousand Rupees should not be fully subscribed by the First January One thousand eight hundred and ninety then and in either of such cases it should be lawful for the Secretary of State on ascertaining that there had been such breach or at any time after the said First day of January One thousand eight hundred and ninety as the case may be to forthwith determine the Contract contained in the said herein before recited Indenture of the Twenty-sixth February One thousand eight hundred and eighty-six and also the Agreement now in recital and thereupon every article clause and thing therein respectively contained on the part of the Secretary of State should absolutely cease and determine without prejudice nevertheless to any rights which should have accrued or should accrue to the Secretary of State prior to or by reason of any such breach AND WHEREAS with the exception of the shares taken by the Subscribers to the Memorandum and Articles of Association of the

Company no shares have been taken or agreed to be taken or allotted in the capital of the Company and the Company has been unable to raise any of its share capital AND WHEREAS the Company has not borrowed any moneys or created any mortgage or charge upon its undertaking and assets or any part thereof AND WHEREAS the said recited Indenture of the Twenty-sixth February One thousand eight hundred and eighty-six and Agreement of the Twenty-ninth June One thousand eight hundred and eighty-eight and each of them and the provisions therein contained in favor of the Company are valid and enforceable but the said Indenture is liable to be determined on the First January One thousand eight hundred and ninety in the event of the said share capital of the Company not being fully subscribed before such day AND WHEREAS the Company has applied to the Contractor first to enter into a contract for the construction and equipment of the said Railway and Works pursuant to the said Indenture of the Twenty-sixth February One thousand eight hundred and eighty-six and secondly to subscribe or procure subscriptions for the whole of the said share capital of Two millions five hundred thousand Rupees (except the shares taken by the Subscribers to the Memorandum of Association) before the First January One thousand eight hundred and ninety which the Contractor has agreed to do upon and subject to the terms and provisions hereinafter contained NOW it is hereby agreed as follows that is to say:

1. THE Company shall forthwith apply to the Secretary of State to provide the land which shall be required for the said Railway and for the Works connected therewith and use its best endeavours forthwith to obtain and give possession thereof to the Contractor.

2. THE Contractor will upon receiving possession from the Company of the land required for the said Railway and for the Works connected therewith or a substantial part thereof forthwith commence thereon the construction pursuant to the terms of the said Indenture of the Twenty-sixth February One thousand eight hundred and eighty-six of the said Railway and other Works as therein mentioned and shall thereafter with diligence with a sufficient number of workmen and staff of officials and with all necessary plant and materials proceed with the same without interruption or delay (excepting only such if any as may arise from strikes unforeseen accidents and other causes not reasonably within the powers of the persons constructing the said Railway and Works to have prevented) and will within the period of three years from the date when he shall receive possession from the Company of the land required for the said Railway or a substantial part thereof complete the said Railway and Works fit for public traffic throughout and deliver over the same to the Company properly and fully constructed and supplied fit for opening with a good and sufficient stock of Engines Carriages Wagons Plant and Machinery for opening the same to the satisfaction and approval of the said Secretary of State as provided in the said Indenture of the Twenty-sixth February One thousand eight hundred and eighty-six when and so soon as the said Railway shall have been completed fit for conveyance of passengers and goods and equipped as aforesaid all liabilities and obligations of the Contractor under this Agreement shall wholly cease and determine without prejudice nevertheless to any claim in respect of any breach of obligation or liability already incurred.

3. THE Company will duly observe and perform the obligations on its part contained in Clause 22 of the said Agreement of the Twenty-sixth February One thousand eight hundred and eighty-six.

4. AS part consideration for the obligations undertaken by the Contractor the Company shall create and issue Debentures to the amount of Two hundred and twenty thousand Pounds to bear interest at the rate of Four per cent. per annum and to be and rank *pari passu* as being a first charge on the undertaking and assets of the Company (including uncalled capital if and so far as the Company now is or at time hereafter during the continuance of this Agreement shall be able to validly charge its uncalled capital or any part thereof) and to be secured by a mortgage to Trustees or otherwise as shall be required by the Contractor such Debentures to be a floating charge so far as they affect the chattels of the Company PROVIDED ALWAYS that neither the said Debentures nor the said Mortgage shall until some default on the part of the Contractor enabling the Company to determine this Agreement hinder or affect the power of the Company to call up during construction its uncalled capital and to expend or cause to be expended the same in the construction and equipment of the line in accordance with the obligations on the part of the Company herein contained or prevent the Company either during or after construction from dealing with its undertaking assets and property in the ordinary course of business but so that no Mortgage or charge shall be made thereon or on any part thereof in priority to the said Debentures and the Mortgage securing the same without the consent of the Trustees of such Mortgage. PROVIDED ALSO that the said Debentures and Mortgage shall be in such form and contain such provisions in all respects as the Contractor shall reasonably require.

5. THE said Debentures shall be issued to the Contractor or as he shall direct and the said Mortgage shall be executed respectively upon or immediately after the execution hereof and in any event prior to the Twenty-first day of December One thousand eight hundred and eighty-nine AND the Company will from time to time if and when required by notice in writing by the Contractor and as quickly as possible and not exceeding two months after such notice offer for public subscription or permit any respectable person Firm or Company nominated by the Contractor to offer for public subscription the whole or any part of the said Debentures or the said share capital of the Company and upon such terms and conditions being consistent with the said recited Indenture of the Twenty-sixth February One thousand eight hundred and eighty-six and Agreement of the Twenty-ninth June One thousand eight hundred and eighty-eight and the Memorandum and Articles of Association of the Company as the Contractor may reasonably desire PROVIDED that if the issue shall be made in the name of the Company or if the names of the Directors be made use of or published in the Prospectus inviting subscriptions for the same the reasonable approval of the Board of Directors of the Company shall be obtained to the name of the person Firm or Company issuing the capital and to the terms of the said Prospectus other than the price of issue and the terms of payment.

6. AS further part of the said consideration the Company shall pay to the Contractor or as he shall direct the sum of Two million five hundred thousand Rupees Cash and the same shall be paid to him at such times and in such manner as is provided for by Clause 23 of the said Indenture of the Twenty-sixth February One thousand eight hundred and eighty-six.

7. UPON the said Debentures being duly issued to the Contractor or as he shall direct before or on the Twenty-first day of December One thousand eight hundred and eighty-nine the Contractor will himself before or on the Thirty-first day of December One thousand eight hundred and eighty-nine subscribe or procure substantial subscriptions for the whole share capital of Two million five hundred thousand Rupees of the Company (exclusive of the shares taken by the subscribers to the Memorandum of Association) and will pay up the same or cause the same to be paid up by such instalments and in such manner (including the amount payable on application for the said shares) as the Directors of the Company shall in accordance with the provisions of the said Indenture of the Twenty-sixth day of February One thousand eight hundred and eighty-six require.

8. THE Contractor will during the construction of the Railway provide the Company from time to time with such sums of money as shall in addition to the sums provided by the Secretary of State for interest during construction be sufficient to pay and keep down all accruing interest which the Company shall be required to pay on the said Debentures.

9. THE Company on its part will at its own expense execute do and concur in all acts matters and things which may be reasonably necessary or advisable to enable the Contractor his transferees or representatives to effectuate this Agreement and to have the benefit of the provisions herein contained in his favor according to the true spirit and intent of the parties hereto and will in particular allow him and them on giving a proper indemnity to use the name of the Company in any legal proceedings or otherwise to enforce or preserve any rights or benefits hereunder.

10. IN case the Contractor shall after receiving possession of the necessary land or a substantial part thereof make any unreasonable delay in the commencement of the said Railway and works or after having commenced the same shall fail to prosecute the same to the satisfaction of the Secretary of State with due diligence or in a proper and workmanlike manner the Company shall forthwith thereafter give notice to the Contractor specifying the obligations and liabilities which he has so failed to perform and of which it complains and if the same shall still be capable of performance requiring the Contractor to perform the same and if the Contractor fails within the space of two months after the receipt of such notice to do so or in case the Contractor shall be declared bankrupt or become insolvent or take any proceedings for liquidation or composition then and in any of the said cases the Company or its assigns may take the works out of the hands of the Contractor and may take possession of all plant materials stores and articles of all kinds on the works and may use the same and may proceed to complete the works in such manner and either by the employment of other Contractors or otherwise as the Company or its assigns shall think fit and at the expense of the Contractor AND the Company or its assigns shall be entitled to recover from the Contractor any expense that they may incur in so completing the works over and above any part of the said sum of Two million five hundred thousand Rupees which may not have been paid out to the Contractor and which may remain or be available for the completion of the works and shall have a lien for such expense on any Debentures or shares then belonging to the Contractor PROVIDED ALWAYS that the provisions herein contained as

to taking possession of the works and completing the contract shall not vitiate the contract or prevent the Company from claiming and recovering any further damages or compensation from the Contractor.

11. THE Contractor may assign this Agreement in whole or in part to any competent Contractor or other person whose pecuniary position and experience shall be such as to enable him satisfactorily to discharge the obligations hereunder of the Contractor and in case of the death of the Contractor his legal personal representatives may within two months after his death by notice in writing to the Company elect and shall thereupon be entitled in the stead of the Contractor to take the benefit of and they or he shall thereupon become subject to the obligations of this Agreement.

12. IF any dispute or difference shall at any time arise or happen between the Company their successors or assigns and the Contractor his executors administrators or assigns concerning anything herein contained or relating hereto or the construction of any of the clauses herein contained or to any act or thing to be made done or performed in pursuance hereof such dispute or difference shall be forthwith referred to two arbitrators one to be appointed by the Company their successors or assigns and the other to be appointed by the Contractor his executors administrators or assigns or to an umpire to be chosen by the arbitrators before entering on the consideration of the matters referred to them and every such reference shall be deemed an arbitration within the provisions of the Statute or Statutes for the time being in force in India regulating or affecting references to arbitration or of the Common Law Procedure Act 1854 or the Arbitration Act 1889 or any then subsisting statutes relating to arbitrations and awards as the case may be.

IN WITNESS whereof the said Nílgiri Railway Company Limited has hereunto caused its common seal to be affixed and the said Richard Woolley has hereunto set his hand and seal the day and year first above written.

The common seal of the Nílgiri Railway Company Limited was in pursuance of a Resolution of the Board of Directors hereunto affixed in the presence of

The Nilgiri Railway Company Limited.

(Signed) N. G. BENSON.

(„) J. G. FINDLAY.

(Signed) RICHARD WOOLLEY. Seal.

(Signed) PERCY W. WOOLLEY,
Secretary, Nílgiri Railway Company, Limited.

Signed sealed and delivered by the abovenamed Richard Woolley in the presence of

(Signed) A. S. COWDELL of Ootacamund,
Solicitor.

(„) PERCY W. WOOLLEY of Coonoor,
Planter.

Executed by the abovenamed Company and Richard Woolley in the presence of

(Signed) T. N. KOTHENDA RAW,
Second-class Magistrate, Coonoor.

20th December 1889.

Subordinate Magistrate, Coonoor.

EXTRACT from the Proceedings of the Meeting of the Directors of the Nílgiri Railway Company, Limited, held at the offices of the Company on the 23rd December 1889.

* * * * * *

Proposed by Mr. J. G. Findlay.
Seconded by Mr. R. M. Daly.

That on receipt of the deposit on application the Secretary be directed to prepare and deliver to Mr. Woolley the usual letter of allotment, at the same time forwarding the cheque for the amount of the deposit on application to the bank selected by the Company for credit of their account. Carried.

* * * * * *

(Signed) J. G. FINDLAY,
Chairman.

EXTRACT from the Proceedings of the Meeting of the Directors of the Nílgiri Railway Company, Limited, held at the offices of the Company on the 21st December 1889.

* * * * * *

The Secretary reports having received an application from Mr. R. Woolley for the remainder of the shares, viz., 24,990, the deposit to be payable out of the amount at once expected from England under the arrangements already notified to the Board.

Proposed by Mr. N.G. Benson.
Seconded by Mr. R. M. Daly.

That this application be accepted on the terms proposed: Mr. R. Woolley giving the Secretary a cheque for the amount of the first deposit on application, viz., Rs. 24,990, to be held by the Secretary until he is informed by Government into which bank at Madras they wish the money paid. Carried.

* * * * * *

(Signed) J. G. FINDLAY,
Chairman.

Letter from the Government Solicitor, dated Madras, 10th February 1890, No. 77.

Letter to the Government Solicitor, dated Madras, 11th February 1890, No. 775 C.

Letter to the Secretary, Nílgiri Railway Company, Limited, dated 12th February 1890, No. 809 C.

Letter from the Government Solicitor, dated Madras, 15th February 1890, No. 87.

Letter to the Government Solicitor, dated Madras, 17th February 1890, No. 893 C.

Letter to the Government Solicitor, dated Madras, 18th February 1890, No. 911 C.

Letter to the Government Solicitor, dated Madras, 24th February 1890, No. 985 C.

Letter from R. Woolley, Esq., dated Woodcote, Coonoor, 26th February 1890.

ENCLOSURE No. 1.

To SIR JULAND DANVERS, K C.S.I., Secretary, Department of Public Works, India Office.

Referring to our interview on the 10th instant I feel that my statement to you regarding the course which it was proposed to adopt for the purpose of obtaining the necessary Capital for

the construction of the Nilgiri Railway was not as explicit as it might have been. I gladly, therefore, avail myself of your suggestion that I should write to you on the subject.

2. In the amended conditions submitted by the Nilgiri Rigi Railway Company to the Madras Government, with a covering letter, dated February, 25th, 1884, it was provided that the Capital of the Company should be raised in India or England, as might be deemed most expedient. I cannot quote the exact words as I have not a copy of the conditions with me; but the covering letter is set out at length in a G.O., dated 7th April 1884, No. 409 P.W. (perhaps you have a copy) in which the Madras Government dealt with these amended proposals.

3. The last sentence in paragraph 4 is as follows:—

"We have therefore prepared a modification of the terms heretofore granted us by incorporating with these some of those granted by the Bengal Government to the Darjeeling Steam Tramway Company, more especially those which will remedy the insufficiency of our present terms, *and afford a basis which we now know to be quite essential to obtain the necessary Capital in London.*"

4. The "basis" here referred to was publicity, as no other mode of raising the Capital had then been suggested. It is equally clear by (4) of paragraph 5 that the Nilgiri Company then intended to constitute an assisting Company in London, for (4) provides for "liberty to the Secretary of State to appoint a Director to the Board of *the Company to be constituted in London.*"

5. No objection to this was made either by the Madras Government or by the Government of India; but, as you know, the Secretary of State required, as the condition of his assent to the amended conditions, that "arrangements for raising the money should be made in India."

6. On this basis an agreement was entered into between the Madras Government (acting on behalf of the Secretary of State) and the Nilgiri Rigi Railway Company, dated the 30th day of September 1885; and that Company tried, but unsuccessfully, to obtain its Capital in India. As section 54 of this Agreement was the chief obstacle, my Company, in 1886, moved the Madras Government to request the Secretary of State to rescind or modify this section, and paras. 15 and 19 of Messrs. Arbuthnot and Co.'s letter of May 28th, 1886, to the Officiating Consulting Engineer for Railways, Madras, indicate clearly that the Company's request was for permission to offer its Shares *publicly* in London.

7. The Despatch of the Secretary of State, dated 7th April, 1887, No. 42 R., states (1) in paragraph 3, "They" (the Company) "ask to be allowed to offer their Shares to the public in this country through agents in London." (2) In paragraph 4—"The Company presumably anticipate being able to raise the required Capital, if the prohibition to raise funds in this country were removed," and (3) in paragraph 5—"My predecessor's refusal to permit this course, conveyed by the Railway Despatch, No. 140, of the 13th November, 1884, was based on the view that it was not desirable that the Company should be allowed to raise its Capital in London. As, however, *this objection is now removed* by the formation of the Company in India, there appears to be no reason for any interference with *the course proposed by the Company*," &c., &c., "subject to your Government being satisfied that there are no *legal* impediments to such a procedure being adopted," &c., &c.

8. On June 24th, 1887, in reply to mine of the 22nd item, you wrote in No. 1194 P.W. as follows:—"A communication respecting this line has recently been addressed by the Secretary of State for India to the Government of India, in which the Secretary of State has intimated his willingness to allow the Company *in compliance with their request to raise its Capital in London*, provided that the Government are satisfied there is no *legal* objection to such a course." &c., &c.

9. The Legal Adviser of the Government of India (the Honorable G. C. Paul) wrote on June 11, 1887, thus—"I see no legal objection to the Nilgiri Rigi Railway Company (Limited), raising any portion of its Capital in England, if the Government think fit to dispense with the condition contained in clause 54 of the Schedule to the Agreement of the 30th of September 1885."

10. This opinion agrees with that which I obtained from Messrs. H. H. Shephard and W. Grant, and forwarded to you with my letter of the 6th July, 1887, and which was as follows:—

"Apart from the restrictions contained in clause 54 of the Indenture, we do not think that there is any legal objection to the raising of Capital by the Company in England. If it may be rightly assumed from the terms of the letter of 24th of June that the Secretary of State is willing to withdraw the prohibition contained in clause 54, all that remains to be done is to have his consent to such withdrawal formerly recorded by endorsement on the original indenture."

11. Subsequently I was informed by a letter from the India Office, 1st September 1887, No. 1541 P.W., that "from a communication recently received from the Government of India, it appears that *no objection is entertained by that Government to the Company raising Capital out of India*, subject to the following requirements"—

"Clause 54 of the Company's Agreement with Government, will, moreover, have to be rescinded or modified by mutual consent, a course to which the Secretary of State understands the Government of India do not object."

"The necessary formal arrangements to give effect to the above conditions must be concluded in India directly between the Company and the Government of India."

12. Of course my Company could not approach the Government of India direct. It waited until the Madras Government, on March 20th last, forwarded "a copy of the draft Agreement, as drawn by the Government Solicitor, amending section 54 of the Scheduled Contract."

13. This draft Agreement, after referring to the Agreement of the 30th September, 1885, and to section 54 of the Scheduled Contract of the 26th of February, 1886, proceeds: "And whereas the Secretary of State has . . . agreed with the Nilgiri Railway Company Limited, to allow them to raise any part of the Capital of such . . Company elsewhere than in the East Indies," and continues, "it shall be lawful for the said Nilgiri Company, Limited, by public solicitations, by advertisements or otherwise howsoever, to solicit and obtain subscriptions to the Capital of the Company either in the said United Kingdom or elsewhere," on certain conditions which the Company intend strictly to observe.

14. A copy of the Supplementary Agreement mentioned in paras. 12 and 13 was, I believe, sent to the Government of India in the early part of March last for approval—but it appears to have been returned to Madras with, probably, a conditional approval; for, a second Supplementary Agreement was sent to the Company at Coonoor early last month differing only from the former to the extent of a few words, covering an additional provision, which the Company has agreed to.

15. It is impossible to deny that the preceding observations and extracts show that the principle of publicity has been conceded to the Company. This being so, it seems difficult to understand what objection there can be to the suggested formation in London of a Limited Company, for the purpose of taking up such of the Indian Company's shares as may not be subscribed for in India. Probably less publicity will arise from this course than by offering the shares of the Indian Company directly to the public, while the advantages are greatly in favor of the former of these courses. The London Company's Shares would be negotiable on the Stock Exchange, and, it is believed, that its Capital would be readily subscribed, having in view the Company's prospects. In either case the Revenues of India would not suffer, because the Share Warrants of the Indian Company, whether issued to the public generally, or issued directly to the London Company, will be impressed with Indian stamps.

16. Is not the paper of a rupee loan, issued in India, largely bought by English Capitalists through the instrumentality of Bankers, Merchants, Corporations, Syndicates, or individuals? And is not the course which it is proposed to adopt in our case, therefore, well known to the English public? Even within the last few days I have seen an advertisement, from the India Office, which differs but slightly from that which we should have to publish if we were to offer our Shares directly to the public.

17. With this explanation before you, I should, as time is pressing, be pleased to hear from you on an early day: my desire being, as it always has been, to act in perfect harmony with you.

78, Gower Street, S.W., 16th June 1888.

P.S.—The italics are mine.

ENCLOSURE No. 2.

From JOHN E. GORST, Esq., to R. WOOLLEY, Esq., dated India Office, Whitehall, S.W., 4th July 1888, No. 1286, P.W.

I am directed by the Secretary of State for India to acknowledge receipt of your letter of the 16th ultimo, explaining the present position of the Nilgiri Railway scheme and that it is now proposed to form in London a Limited Company for the purpose of taking up such of the Indian Company's shares as may not be subscribed for in India.

2. In reply, I am directed to request that you will submit in a more precise shape the proposals to which you desire the assent of the Secretary of State in Council, explaining the intended position of the New Company and the financial obligations they will undertake, and at the same time will furnish evidence of the ability of your clients to raise the sum of money which is required within a limited period.

ENCLOSURE No. 3.

From R. WOOLLEY, Esq., Attorney for the Nilgiri Railway Company, to the Under-Secretary of State for India, dated 78, Gower Street, W.C., 8th July 1888.

I have the honor to acknowledge the receipt of your letter No. 1286 of the 4th instant and to reply as follows:—

The object of the Company referred to in my letter to Sir Juland Danvers of the 16th ultimo would be in the first instance to provide the Nílgiri Railway Company with the necessary Capital for the construction of its Railway in exchange for its shares which it is presumed would be taken up in the names of Trustees.

No name for the proposed Company has at present even been discussed; but it certainly will not be the Nílgiri Railway Company for its operations will in all probability be of a general character.

As time is of great importance to me at this period of the year, I shall feel obliged by an early reply.

ENCLOSURE No. 4.

From JOHN E. GORST, Esq., to R. WOOLLEY, Esq., dated India Office, Whitehall, S. W., 25th July 1888, No. 1429, P.W.

I have received and laid before the Secretary of State for India in Council your letter of the 8th instant, explaining, in reply to this office letter of the 4th instant, the objects of forming the Company, referred to in your letter of the 16th ultimo, and, in reply, I am directed to inform you that, so long as the Nílgiri Railway Company, Limited, retains its domicile in British India with its sole register in that country, so that any issue, allotment or transfer of its shares is made by entries in such register, there would appear to be no reason why any person or Company (provided the constitution of such Company permits) should not become a shareholder in the Nílgiri Railway Company. This, however, is a question on which the Secretary of State in Council cannot offer advice, but must leave you to act in such manner that the terms of the contract made with the Government of India are strictly complied with.

Letter to the Government Solicitor, Madras, dated 28th February 1890, No. 1092 C.

READ—the following letter from E. BARCLAY, Esq., Government Solicitor, Madras, to the Joint Secretary to Government, Public Works Department, Railway Branch, dated Madras, 4th March 1890, No. 113:—

With reference to Messrs. Cowdell and Winterton's letter of 8th ultimo, and its enclosures, forwarded with your letter, dated 11th February 1890, No. 775 C., I have considered it advisable to consult the Advocate-General on the question as to whether, under the arrangements that appear to have been made by the Nílgiri Railway Company for raising capital, the terms of the Agreement of 30th September 1885 with the Schedule Contract, and of the Agreement of 29th June 1888, have been complied with. The Advocate-General suggests that, before finally deciding this point, Government should inform the Company of the view taken by Government of the arrangement come to and should ask the Company whether it has any explanation to offer thereon.

2. With a view to Government acting on the suggestion made by the Advocate-General, I will, as shortly as possible, explain what the arrangement made by the Company is, as shown by the documents.

3. By the Agreement of 30th September 1885, between Government and the Nílgiri Rigi Railway Company, Limited, Government undertook with that Company that, if prior to 1st March 1886, a Joint Stock Company should be duly registered under the Indian Companies' Act, 1882, with an Indian domicile, a nominal capital of Rs. 25,00,000, and powers sufficient for the purposes of the Scheduled Contract; and if the Company should, prior to 1st March 1886, duly execute, in duplicate, an Indenture identical with the Scheduled Contract and deliver same to Government, Government would, at any time thereafter, at the request of the Nílgiri Rigi Railway Company, execute and deliver the same Indenture which should thereupon become binding on the parties thereto.

4. By clause 54 of the Scheduled Contract, it was expressly agreed and declared that the contract was entered into by Government subject to the following conditions:—

(*a*) that no public solicitations by advertisements or public solicitations in any other manner had been or should be made for subscriptions to the capital of the Company in the United Kingdom;

(*b*) that no steps had been, or should be, taken by the Company for obtaining quotations of any of the shares thereof on any Stock Exchange in the United Kingdom;

(*c*) that no register kept in accordance with the Indian Companies' Act, 1882, of any of the Shareholders of the Company had been, or should be, without the consent of Government, kept or opened in the United Kingdom;

and that if there had been, or should be, any breach on the part of the Company of any one of such conditions, it should be lawful for Government, on ascertaining such breach, to forthwith determine the scheduled contract.

5. On the 26th February 1886, the Nílgiri Railway Company, Limited, was incorporated, only seven shares being, at that time, taken up. By the Memorandum of Association, the Registered Office of the Company was to be at Madras, so that the Indian domicile was secured, and the objects of the Company were (amongst others) stated in the Memorandum to be—

(*a*) to adopt and carry into effect (either with or without modification) the Agreement of 30th September 1885;

(*b*) to enter into and carry into effect (either with or without modification) the Scheduled Contract;

(*d*) to make, construct, and maintain a railway from Mettupálaiyam to Coonoor and Ootacamund and any extension thereof;

(*n*) to promote any other Company for the purpose of acquiring all or any portion of the property and liabilities of the Nílgiri Railway Company or for any other purpose which might seem directly or indirectly calculated to benefit that Company;

(*o*) to borrow and raise money in such manner as the Company should think fit and in particular on mortgage or by the issue of debentures or debenture-stock, perpetual or otherwise charged upon all or any of the Company's property both present and future, including its uncalled capital;

and it was provided that the capital of the Company was Rs. 25,00,000, divided into 25,000 shares of Rs. 100 each.

6. On the 26th February 1886, the Scheduled Contract as between the Secretary of State and the Nílgiri Railway Company, Limited, was executed.

7. By the Agreement of 29th June 1888, and made between Government, the Nílgiri Railway Company, Limited, and the Nílgiri Rigi Railway Company, Limited, it was provided that, anything in the Contract of 26th February 1886 to the contrary notwithstanding, it should be lawful for the Nílgiri Railway Company by public solicitations, by advertisements or otherwise to solicit and obtain subscriptions to the capital of that Company either in the United Kingdom or elsewhere provided (and these were made express conditions):—

(1) that the Nílgiri Railway Company had not obtained and should not obtain or seek to obtain any domicile other than a British Indian domicile, and had not, and should not have or seek to have their registered office elsewhere than in British India;

(2) that the same Company had not and should not have or keep any register of the shareholders of that Company at any place other than the registered office of the Company;

(3) that the same Company had not issued and should not issue to any person, &c., any document evidencing the right or title of the holder to any share, scrip or stock of the same Company or to become proprietor of shares, scrip or stock of such Company elsewhere than in British India, and it was expressly agreed that if there had been or should be any breach of either of such conditions or in case the capital of Rs. 25,00,000 should not be fully subscribed for by 1st January 1890, then and in either of such cases, it should be lawful for Government at any time after ascertaining such breach, or after 1st January 1890, as the case might be, to determine the contract contained in the Indenture of 26th February 1886, and the Agreement of 29th June 1888.

8. By a Special Resolution passed on the 27th November and confirmed on the 14th December 1889, the Nílgiri Railway Company altered its Articles of Association with a view apparently to enabling the Directors to carry out the arrangement mentioned further on. The principal amendments are that of article 94 (*c*) and the addition of article 96 (*a*), by the former of which the Directors are authorized, at their discretion, to pay for any property or rights acquired or *service rendered* to the Company, and to pay, satisfy or discharge any liabilities of the Company in respect of any contract entered into by the Company or by any person on behalf of the Company, either wholly or partly in cash or in shares, bonds, *debentures*, debenture-stock or other securities of the Company and by the latter of which, after empowering the Directors, upon the Works contract with Mr. Woolley being entered into, to create and issue £220,000 sterling debentures to be secured as a floating charge by a mortgage to Trustees of and upon the Company's interests under the Contract of 26th February 1886 and the whole of the Company's assets, inclusive of the capital subscribed and to be subscribed, such debentures when created are to be handed to Mr. Woolley in part satisfaction of the consideration to be payable or satisfied by the Company under the Agreement (the Works Contract).

9. By an Indenture, dated 16th December 1889, and made between the Nílgiri Railway Company and Sir F. R. Pollock, the Honorable Evelyn Ashley and Sir Andrew Clarke (the Trustees), after reciting the Contract of 26th February 1886, an Agreement of 20th December 1889 (the Works Contract) between the Company and Mr. Woolley (which, it may be remarked, could not at the date, 16th December 1889, of the Indenture in which it is recited, have been entered into) and reciting that the Company being duly empowered in that behalf, *by their Memorandum* and Articles of Association *had in pursuance* of the Works Contract (not then entered into) determined to create 2,200 debentures of £100 each, the Company assigned to the Trustees—

1*st*, all the land to be provided by Government and all the rails, stations, &c., and the undertaking of the Company and also all the engines, rolling-stock, &c.;

2*nd*, all the net profits of the Company; and in particular all sums payable by Government as interest;

3*rd*, all other the rights and privileges of the Company under the concession (Contract, 26th February 1886);

4*th*, all the rights and privileges of the Company under the Works contract, to hold such premises in trust to permit the Company to enjoy all the said mortgaged premises and to proceed to construct or to procure to be constructed the said railway and the works connected therewith, and, thereafter, to carry on the business of the Company until one or more of the following events of default should happen, viz.:—

(*a*) default in payment of some interest on the debentures for six months or of principal for three months, respectively, after becoming due;

(*b*) an order or effective resolution for winding up the Company;

(*c*) a distress or execution against the property of the Company, or the appointment, by a competent Court, of a Receiver or Manager, or any other legal remedy enforced against the Company;

(*d*) the failure by the Company to perform, or the breach of a covenant on their part contained in the Trust Deed, and prejudicially affecting the security; or, to put it shortly, the Company mortgaged to the Trustees the whole of the Company's property, rights and interests to secure the debentures. The Company thus created a charge upon its property, rights and interests to secure a sum of £220,000 and interest at 4 per cent., which by clause 15 of the Deed, the Company covenanted to pay.

10. By the Works Contract, dated 20th December 1889, and made between the Nílgiri Railway Company and Mr. Woolley, after reciting (amongst other things) the Agreement of 30th September 1885, the Contract of 26th February 1886, the

Agreement of 29th June 1888 that *with the exception of the shares taken by the subscribers to the Memorandum of Association* (which it will be remembered were 7 in number including one taken by Mr. Woolley) *no shares had been taken or agreed to be taken or allotted in the capital of the Company, and the Company had been unable to raise any of its share capital*, and that the Company had applied to Mr. Woolley, first, to enter into a contract for the construction and equipment of the Railway and Works, and, secondly, to subscribe, or procure subscriptions for the whole of the share capital of Rs. 25,00,000 (except the shares taken by the subscribers to the Memorandum of Association) before 1st January 1890, which Mr. Woolley had agreed to do, it was agreed—

(1) that the Company should apply to Government for the land and use its best endeavours to obtain and give possession thereof to Mr. Woolley;

(2) that Mr. Woolley would, on receiving possession of the land, commence construction, &c., and complete the Railway, fit for public traffic, and deliver same to the Company within three years from receiving possession of the land.

(3) that as part consideration for the obligations undertaken by Mr. Woolley (not, it will be observed, for the purpose of borrowing or raising money), the Company should create and issue debentures for £220,000, bearing interest at 4 per cent. per annum, and to be a first charge on the undertaking and assets of the Company (including uncalled capital so far as the company could charge same), and to be secured by a mortgage to Trustees, such debentures to be a floating charge on the chattels of the company, such debentures and mortgage not, until default by Mr. Woolley enabling the Company to determine the Works' Contract, to hinder the Company calling up, during construction, its uncalled capital and to expend same in construction, &c.;

(4) that the debentures should be issued to Mr. Woolley, or as he should direct, the mortgage to be executed prior to 21st December 1889, and the Company, when so required by Mr. Woolley and as quickly as possible and not over two months from notice by Mr. Woolley so to do, to offer *for public subscription* the whole or any part of the said debentures *or the said share capital of the Company*. If therefore the Company were to have two months, say, even from 20th December 1889, supposing Mr. Woolley gave notice on that date, to offer the share capital of the Company for public subscription, it is difficult to see how such capital was to be subscribed by 1st January 1890.

(5) As further part consideration the Company is to pay Mr. Woolley Rs. 25,00,000, or the whole of the capital of the Company.

(6) Upon the debentures being duly issued to Mr. Woolley, or as he should direct, before or on 21st December 1889, Mr. Woolley was, on or before 31st December 1889, to subscribe, or procure substantial subscriptions for the whole share capital of Rs. 25,00,000 (exclusive of the shares taken by the subscribers to the Memorandum of Association) and to pay up the same or cause the same to be paid up by such instalments and in such manner as the Directors should, in accordance with the Contract of 26th February 1886, require.

(7) Mr. Woolley during construction to provide the Company with such money as, in addition to the sums to be provided by Government for interest during construction, would be sufficient to keep down the interest on the debentures.

11. By the Directors' Proceedings of 21st December 1889, it appears that Mr. Woolley had applied for the remainder of the Company's shares, viz., 24,990, the deposit on application to be payable out of the amount then expected from England under some arrangements which had been notified to the Board, but which do not appear, and the Directors accepted the application on the terms proposed, Mr. Woolley giving a cheque for the amount of the first deposit on application, viz., Rs. 2,49,900, to be held by the Secretary until informed by Government into which Bank at Madras they wished the money paid.

12. By the Directors' Proceedings of 23rd December 1889, it appears that they directed that, on receipt of the deposit on application, the Secretary was to prepare and deliver to Mr. Woolley the usual letter of allotment, at the same time forwarding the cheque for the amount of the deposit on application to the Bank, selected by the Company, for credit of their account.

13. The copy register of shareholders of the Nílgiri Railway Company, dated 25th January last, shows that Mr. Woolley holds the following shares:—

No. 1	1
„ 8 to 3,007	3,000
„ 3,011 to 25,000	21,990
	24,991
Leaving for other subscribers	9
Total shares ...	25,000

14. From what has been stated above, it is, I think, apparent, first, that Mr. Woolley is practically, if not legally, the Company, and that, with the exception of 9 shares representing Rs. 900, he is the holder of the whole of the nominal capital of the Company, and, by the Works Contract, the whole of the capital is to be paid to him. Second, that the whole of the Company's debentures for £220,000 are to be made over to Mr. Woolley, and third, that he is to construct the Railway and everything connected with it and is to supply the rolling-stock, &c. Obviously therefore Mr. Woolley will never, in fact, pay the Company anything for the 24,991 shares for which he has subscribed. The construction of the Railway and the furnishing of the rolling-stock therefore depends, not on the solvency of the Company which it was clearly the object of Government to secure by the agreements of 30th September 1885 and 29th June 1888, but on the solvency of Mr. Woolley and his ability to raise the money necessary for the construction of the Railway and the supply of the rolling-stock.

15. Now, it is by no means clear that, the Works' Contract notwithstanding, Mr. Woolley is bound to do anything at all under that contract. Mr. Woolley has undertaken to do two main things, viz., to subscribe or procure subscriptions for the whole of the capital (except the 9 shares) before 1st January 1890, and to construct the Railway. Part of the consideration for his undertaking these obligations is the issue to him of the Company's debentures for £220,000, and the rest of the consideration is the making over to him of the Company's capital of Rs. 25,00,000. But that capital is, clearly, to be obtained by Mr. Woolley disposing of the debentures. If I am not mistaken the Secretary of the Company said in one of his letters to you, which I have not by me at present, that the debentures were to be disposed of to, or the money was to be obtained from, a Company in London. However this may be, it is clear from the amount of the debentures, £220,000, as compared with the amount of the Company's nominal capital, Rs. 25,00,000, that the latter is to be raised by the former; indeed, if this were not so, there would seem to be no object in issuing the debentures.

16. This brings us to the very important question whether these debentures are of any value at all. Clause 3 (*o*) of the Memorandum of Association states one of the objects of the Company to be to borrow and raise money in such manner as the Company shall think fit and in particular on mortgage or by the issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property both present and future, including its uncalled capital. But the Company is not borrowing or raising any money at all by these debentures; they are to be issued to Mr. Woolley to enable him to raise money to pay for the shares for which he has subscribed. If this were not so, the Company ought to receive 5 instead of $2\frac{1}{2}$ million rupees, viz., $2\frac{1}{2}$ million or £220,000 from the debentures, and $2\frac{1}{2}$ million rupees from the shareholders. But the Company will not receive anything from the debentures. If, therefore, the Company does not borrow or raise money on the debentures, it would seem that they are not issued in pursuance of the Memorandum of Association, and, if they are not, their issue is *ultra vires* and they are invalid, and it is open to

Mr. Woolley to repudiate his subscription for the shares for which he has put down his name. That subscription was for a consideration, viz., the issue of debentures which, I need hardly say, means valid debentures, and the payment to Mr. Woolley of the Company's capital of Rs. 25,00,000; but that capital is to be obtained from Mr. Woolley by these very debentures, which are invalid, and on which of course no one, who is well advised, would advance anything, so that apparently the whole consideration for Mr. Woolley's subscription for at any rate 24,990 shares fails and he can repudiate it at any time.

17. The objections above pointed out seem to have been anticipated by the Company and hence the amendments of the Articles of Association set out in the Special Resolution of 27th November last, by clauses 94 (*c*) and 96 (*a*) of which it is apparently sought to give to the Directors powers which the Company does not itself possess. The Articles of Association of a Company cannot extend the powers given to the Company by its Memorandum of Association. Clause 3 (*o*) of the Memorandum of Association of the Nílgiri Railway Company limits the purposes for which the Company may issue debentures to the borrowing or raising of money, and no alteration of the Articles of Association can extend those purposes. I need hardly say that the recital in the Mortgage Trust Deed of 16th December 1889 that the Company is empowered by its memorandum and articles to create debentures cannot affect the question in any way. The recital is correct in one way as the Company has power to create debentures; but, the recital is incorrect in another way, as the Company has not power to create debentures for the purpose for which these debentures have been or are to be created.

18. The above is the position as it appears to me, and, in accordance with the suggestion of the Advocate-General, this view of the position might be communicated to the Nílgiri Railway Company, Limited, for any explanation or reply the Company may think fit to give.

19. With regard to the concluding paragraph of Mr. Woolley's letter of 26th ultimo to your address, which, with its enclosures, I return herewith, I would only remark that the position now under discussion is a very different one to that referred to in the correspondence which accompanies Mr. Woolley's letter.

Letter from the Government Solicitor, Madras, dated 10th March 1890, No. 120.
Letter from the Government Solicitor, Madras, dated 11th March 1890, No. 124.

ORDER—dated 13th March 1890, No. 360 R., Public Works.

Ordered that the following letter be forwarded to the Government of India.

(Here enter No. 361 R., dated 13th March 1890.)

(True Extract.)

(Signed) SIDNEY SMITH, Major, R.E.,
Under-Secy. to Govt., P.W.D.,
Railway Branch.

LETTER—to the Secretary to the Government of India, Public Works Department, dated Fort St. George, 13th March 1890, No. 361 R.

I am directed to forward, for the information and instructions of the Government of India, copies of the correspondence that has taken place between this Government and the Nílgiri Railway Company on the subject of their concession, and I am to state that, on the receipt of the Company's reply to the communication which in pursuance of the advice of the law officers in the Government Solicitor's letter of the 4th March, this Government has sent to the Company, you will be further addressed.

(Signed) SIDNEY SMITH, Major, R.E.,
Under-Secy. to Govt., P.W.D.,
Railway Branch.

Exd. J. Moses.
Sdəɹu Copies

RAILWAY.

Govt. of {1890} Madras.

PUBLIC WORKS.

Dated March, 13th.

Read. *Encl.*

G.O., 13th Mar. 1890, Nos. 360 R. 361 R.

MARCH.

Nilgiri Railway Company

Forwarding correspondence between this Government and the — on the subject of the concession granted to them.

An Agreement made this Twenty-ninth day of June One thousand eight hundred and eighty-eight between THE SECRETARY OF STATE IN COUNCIL OF INDIA (hereinafter referred to as "THE SECRETARY OF STATE") of the first part, THE NILGIRI RAILWAY COMPANY (LIMITED) a Company registered under the Indian Companies Act 1882 of the second part, and THE NILGIRI RIGI RAILWAY COMPANY (LIMITED) a Company registered under the Indian Companies Act 1866 of the third part.

WHEREAS by an Agreement dated the Thirtieth day of September One thousand eight hundred and eighty-five and made between THE SECRETARY OF STATE of the one part and the said NILGIRI RIGI RAILWAY COMPANY (LIMITED) of the other part THE SECRETARY OF STATE did undertake with the said NILGIRI RIGI RAILWAY COMPANY (LIMITED) that if prior to the First day of March One thousand eight hundred and eighty-six a Joint Stock Company should be duly registered under the provisions of the Indian Companies Act 1882 or any subsisting statutory modification thereof with an Indian domicile a nominal capital of Two millions five hundred thousand rupees and powers sufficient for the purpose of a certain Indenture set out in the Schedule to the now reciting Agreement and therein and hereinafter styled "The Scheduled Contract" and if the Company should prior to the First day of March One thousand eight hundred and eighty-six duly and formally execute in duplicate an Indenture identically in the words and figures of the Scheduled Contract with the addition thereto only of the names of the person executing the Indenture on behalf of THE SECRETARY OF STATE the name of the said Company executing the Indenture the names of the Directors of the said Company signing the said Indenture and the date of the Indenture and should on or prior to the said First day of March One thousand eight hundred and eighty-six deliver to THE SECRETARY OF STATE the said Indenture in duplicate duly and formally executed by the Company he the said SECRETARY OF STATE would at any time afterwards at the request of the NILGIRI RIGI RAILWAY COMPANY (LIMITED) to be testified by some writing under its Common Seal execute and deliver the same Indenture which should thereupon become binding upon the parties thereto.

AND WHEREAS the said NILGIRI RAILWAY COMPANY (LIMITED) was duly registered under the provisions of the Indian Companies Act 1882 on the Twenty-sixth day of February One thousand eight hundred and eighty-six and on the Twenty-sixth day of February One thousand eight hundred and eighty-six the Scheduled Contract was executed in duplicate by such last mentioned Company and THE SECRETARY OF STATE.

AND WHEREAS by Section 54 of the said Indenture of the Twenty-sixth day of February One thousand eight hundred and eighty-six it is provided and it was thereby expressly agreed and declared by and between THE SECRETARY OF STATE and the said NILGIRI RAILWAY COMPANY (LIMITED) that the Contract entered into thereby by THE SECRETARY OF STATE was subject to the following conditions:—

(*a*) That no public solicitations by advertisements or public solicitations in any other manner had been or should be made for subscriptions to the Capital of the Company in the United Kingdom of Great Britain and Ireland.

(*b*) That no steps had been or should be taken by the Company for obtaining quotations of the shares thereof on any Stock Exchange in the said United Kingdom.

(*c*) That no register kept in accordance with the provisions of the Indian Companies Act 1882 or any subsisting statutory modification thereof of any of the shareholders of the Company had been or should be without the consent of THE SECRETARY OF STATE kept or opened in the said United Kingdom and that if there had been or should be any breach on the part of the Company of any one of such conditions it should be lawful for THE SECRETARY OF STATE on ascertaining that there had been such breach to forthwith determine the said Contract and that thereupon every article clause and thing therein contained on the part of THE SECRETARY OF STATE should absolutely cease and determine without prejudice nevertheless to any rights which should have accrued or should accrue to the Secretary of State prior to or by reason of any such breach.

AND WHEREAS THE SECRETARY OF STATE has with the consent of the said NILGIRI RIGI RAILWAY COMPANY (LIMITED) testified by their being parties to and executing these presents agreed with the NILGIRI RAILWAY COMPANY (LIMITED) to allow them to raise any part of the Capital of such last-mentioned Company elsewhere than in the East Indies upon the terms and conditions following.

Now these Presents witness and it is hereby agreed and declared that anything in the said Scheduled Contract or the said Indenture of the Twenty-sixth day of February One thousand eight hundred and eighty-six to the contrary notwithstanding it shall be lawful for the said NILGIRI RAILWAY COMPANY (LIMITED) by public solicitations by advertisements or otherwise howsoever to solicit and obtain subscriptions to the capital of that Company either in the said United Kingdom or elsewhere. Provided always and it is hereby expressly agreed and declared by and between the parties hereto and these Presents are entered into by THE SECRETARY OF STATE upon the following conditions:—

(1) That the said NILGIRI RAILWAY COMPANY (LIMITED) have not obtained and shall not obtain or seek to obtain any domicile other than a British Indian domicile and have not and shall not have or seek to have their registered office elsewhere than in British India.

(2) That the said NILGIRI RAILWAY COMPANY (LIMITED) have not and shall not have or keep any register of the shareholders of that Company at any place other than the registered office of the Company.

(3) That the said NILGIRI RAILWAY COMPANY have not issued and shall not issue to any person or persons company or companies corporation or corporations or association or associations any document evidencing the right or title of the holder thereof to any shares scrip or stock of the said NILGIRI RAILWAY COMPANY (LIMITED) or to become proprietor of shares scrip or stock of such company elsewhere than in British India.

And it is hereby further expressly agreed and declared by and between the parties hereto that if there has been or shall be any breach of either of such last-mentioned conditions or in case the said capital of Two millions five hundred thousand rupees shall not be fully subscribed for by the First day of January One thousand eight hundred and ninety then and in either of such cases it shall be lawful for THE SECRETARY OF STATE on ascertaining that there has been such breach or at any time after the said First day of January One thousand eight hundred and ninety as the case may be to forthwith determine the Contract contained in the

said Indenture of the Twenty-sixth day of February One thousand eight hundred and eighty-six and also these Presents and thereupon every article clause and thing therein and herein contained on the part of the said SECRETARY OF STATE shall absolutely cease and determine without prejudice nevertheless to any rights which shall have accrued or shall accrue to THE SECRETARY OF STATE prior to or by reason of any such breach.

IN WITNESS whereof Major WILLIAM HENRY COAKER, Royal Engineers, Acting Joint Secretary to the Government of Madras Public Works Department Railway Branch by order and direction of the Governor in Council of Fort St. George acting for and on behalf of THE SECRETARY OF STATE has hereunto set his hand, and the respective Common Seals of the NILGIRI RAILWAY COMPANY (LIMITED) and the NILGIRI RIGI RAILWAY COMPANY (LIMITED) have been hereunto affixed the day and year first above written.

Signed by the above-named WILLIAM HENRY COAKER in the presence of

(Signed) JAS. G. CALDER,
Clerk, office of Cong. Engr. for Railways.

(Signed) A. E. WHITE,
Clerk, Public Works Secretariat.

(Sd.) W. H. COAKER, Major, R.E.,
Actg. Joint. Secy. to Govt., P.W.D.,
Railway Branch.

The Common Seal of the above-named NILGIRI RAILWAY COMPANY (LIMITED) was hereunto affixed in the presence of NESFIELD GRANT BENSON and CHARLES GRAY, two of the Directors of the same Company who have hereunto set their hands in token of their presence at the affixing of the said Seal in the presence of

(Signed) PERCY W. WOOLLEY,
Planter.

(Sd.) V. T. S. MOORTHY RAMA ROW,
Clerk.

(Signed) N. G. BENSON.

(„) CHAS. GRAY.

The Common Seal of the above-named NILGIRI RIGI RAILWAY COMPANY (LIMITED) was hereunto affixed in the presence of JOHN GORHAM CLARKSON and GEORGE NORRIS GROVES two of the Directors of the same Company who have hereunto set their hands in token of their presence at the affixing of the said Seal in the presence of

(Signed) V. K. IYASAWMY,

(Signed) SYED TAKHY HOOSSAIN,
Clerks to Messrs. Cowdell and
Winterton, Ootacamund.

(Signed) J. G. CLARKSON.

(Signed) GEO. NORRIS GROVES.

DATED 29TH JUNE 1888.

THE SECRETARY OF STATE FOR INDIA IN COUNCIL

AND

THE NILGIRI RAILWAY COMPANY (LIMITED)

AND

THE NILGIRI RIGI RAILWAY COMPANY (LIMITED).

AGREEMENT.

L-8
2.1.90

Coonoor 18

December 21st 1889

From

The Secretary
Nilgiri Railway Company Ltd
Coonoor

To

The Consulting Engineer
for Railways P.W.D.
Madras.

Sir

Pursuant to a Resolution of the Board of Directors of the Nilgiri Railway Company I have the honor to request that sanction may be accorded to this Company to draw the sum of Rs 30,000 being the amount of Cash payable to the Nilgiri Rigi Railway Company Ltd in lieu of shares, and the sum of Rs 7,500 payable to them respectively under the terms of their Agreement of the 4th January 1884 with Mr P. Woolley subsequently transferred to this Company.

I have the honor to be
Sir
Your most obt Servt.
Percy P. Woolley.
Secretary.

REGISTER
No 9
FILE
No

Read 10 E.6
D4309/90

The Nilgiri Railway Co: Ld:
Coonoor
December 24th 1889

From
The Secretary
Nilgiri Railway Co: Ld:

To
The Secretary to Government
Railway Department
Madras.

Sir.

I have the honor to inform you that by a resolution passed at a meeting of the Directors of this Company on the 21st inst. I am directed to notify to you that an agreement for the construction of the Railway between Mettapollium and Coonoor was entered into by this Company with Mr. R. Woolley on that date.

I am also instructed to inform you that the Company has issued a Debenture loan at 4% per annum. (of which Mr R Woolley will pay 1% during construction) and in support of such issue, has executed a Debenture Trust deed in favor of The Union Debenture Company of London.