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CONCERNS BOTH BRITISH INDIA  
AND INDIAN STATES.

# MADRAS RECORD OFFICE.

Government of Madras.

*Public Works* DEPARTMENT.  
*Railway.*

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|----------|--------------|---------------|
| G.O. No. | <u>576 R</u> | Press<br>Mis. |
| Dated    | <u>28-4-</u> | <u>1890.</u>  |

Not to be folded or roughly handled



GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read again the following papers:—

G.O., dated 7th December 1888, No. 1058 R., Public Works.

Read—again the following paper:—

G.O., dated 29th October 1888, No. 883 R., Public Works.

From the Consulting Engineer for Railways, dated Madras, 22nd October 1888, No. 345.

From the Acting Agent, His Highness the Nizam's Guaranteed State Railways Company (Limited), to the Consulting Engineer for Railways, dated Secunderabad (Deccan), 8th October 1888, No. 1818 W.

With reference to my letter, No. 1420 W. of the 9th August in reply to your No. 1665 of the 6th, I have the honor to state that I have now received instructions from the Board of Directors of this Railway that they will accept the arrangement proposed in para. 7, page 5 of the orders of the Government of Madras, No. 459 R., dated 4th June 1888, "that this company work the British section upon the same terms as the East Indian Railway Company work the Tarakeshwar line," viz.:—

- (1) Maintenance to be a separate charge.
- (2) Other working charges, exclusive of use of rolling stock, to be the same percentage of half-yearly gross earnings as it costs to work the company's own lines.
- (3) Five per cent. of gross earnings to be paid to this company for the hire of rolling stock.
- (4) One-fifth of the net earnings remaining to be paid to this company.

2. This arrangement to be in force for two years from the date on which the company takes charge of the line.

3. I am instructed to say that the company ask to have the one-fifth of the net earnings remaining, because, under the conditions agreed to, they may run some risk of loss.

4. The Board also point out that the Wadi-Secunderabad line contributes a much larger proportion of this company's gross earnings than the extensions, and costs little or nothing more to work. The British section will probably contribute in the same ratio as our extensions. As the percentage of working expenses necessarily diminishes when the gross earnings are large, it follows that in the arrangement proposed, the Government of India will get the benefit of the reductions in working expenses arising from the well-developed traffic of our old line. Under these circumstances, it appears to the Board that the Tarakeshwar terms should be granted in full as being nothing more than equitable.

5. Will you be so good as to let me know whether you wish me to prepare a working agreement on the basis of these terms. It seems to me that the only difference between these and what you suggest is the one-fifth of the net earnings going to the company and you will see from the foregoing remarks that it is only fair that the company should have this.



Submitted to Government.

2. The Board of Directors of the Nizam's Guaranteed State Railway Company are willing to accept the terms specified in para. 7 of the Consulting Engineer's endorsement No. 177 A., dated 4th June 1888, and press for the one-fifth of the net profits which it was suggested in the endorsement they might be willing to forego.

3. In para. 3 of Government of India letter, No. 755 R.C., dated 23rd July 1888, it is stated that the terms proposed in para. 7 of the Consulting Engineer's endorsement above referred to are preferred, which leaves somewhat open to question the views of the Government of India upon the point whether one-fifth share of the net profits shall be conceded or not.

4. As the matter is not very pressing, I recommend that the views of the Government of India upon this point be sought.

Order—dated 29th October 1888, No. 883 R., Public Works.

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

(Here enter No. 884 R., dated 29th October 1888.)

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,  
Joint Secy. to Govt., P.W.D.,  
Railway Branch.

Letter from Colonel C. J. SMITH, R.E., Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, to the Secretary to the Government of India, Public Works Department, dated Madras, 29th October 1888, No. 884 R.

With reference to your letter, No. 755 R.C., dated 23rd July 1888, I am directed to forward a copy of the Proceedings of this Government, No. 883 R., dated 29th October 1888, and to state that the Agent of His Highness the Nizam's Guaranteed State Railway has been authorised by his Board of Directors to accept the terms of the agreement for working the line between Bezvada and His Highness the Nizam's dominions as proposed by Government—(see G.O., No. 630 R. (copy attached), dated 3rd August 1888), viz.:—

- (1) Maintenance to be a separate charge.
- (2) Other working charges, exclusive of use of rolling-stock, to be the same percentage of half-yearly gross earnings as it costs to work the company's own line.
- (3) Five per cent. of gross earnings to be paid to the company for the hire of rolling-stock.
- (4) One-fifth of the net earnings remaining, to be paid to the company.

2. The Agent urges that the company should be allowed to retain one-fifth share of the net earnings as in the case of the Tarakeshwar Railway, and I am to enquire whether the Government of India are willing to make this concession.

G.O., dated 12th November 1888, No. 958 R., Public Works.

From the Consulting Engineer for Railways, dated Madras, 8th November 1888, No. 384.  
From the Agent, His Highness the Nizam's Guaranteed State Railways Company (Limited), dated Secunderabad (Deccan), 5th November 1888, No. 1995 W.

Read—also the following paper:—

From Major M. C. BRACKENBURY, R.E., Under-Secretary to the Government of India, Public Works Department (Railway Construction), to the Secretary to the Government of Madras, Public Works Department, dated Calcutta, 28th November 1888, No. 1119 R.C.

I am directed to acknowledge the receipt of your letter, No. 884 R., dated the 29th October 1888, and, in reply to paragraph 2 thereof, to say that the Government

of India is prepared to execute a working agreement drawn up with the Nizam's Guaranteed Railway Company on the following terms:—

- (1) Maintenance to be a separate charge borne by Government.
- (2) Other working charges, exclusive of the use of rolling-stock, to be the same percentage of half-yearly gross earnings as it costs to work the company's own line.
- (3) Five per cent. of gross earnings to be paid to the company for the hire of rolling-stock.
- (4) The agreement to be subject to revision at the end of two years, six months' notice on either side being given if it is then desired to determine the agreement.

2. As regards the Agent's proposal that the company should retain one-fifth share of the net earnings, I am to say that the Government of India is not prepared to make this concession. Admitting that the traffic on the British section will not at first be as large as it is on the other portions of the company's system, the Government of India considers that the advantage accruing to the extension on this account is amply counterbalanced by the advantage gained by the company in securing 5 per cent. for the use of its rolling-stock, and in enabling the charges for general establishment to be distributed over a larger length of line without increasing the expenditure.

3. As the Agent of the company in a previous letter quotes the agreement between the Eastern Bengal and the Bengal Central Railways, I am to say that this agreement has been terminated on the 31st December next, because it is not considered to be sufficiently favorable to the undertaking worked by the Eastern Bengal Railway.

Order—dated 7th December 1888, No. 1058 R., Public Works.

Communicated to the Consulting Engineer for Railways with reference to his endorsements Nos. 345 and 384, dated 22nd October and 8th November 1888.

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,  
Joint Secy. to Govt., P.W.D.,  
Railway Branch.

G.O., dated 21st December 1888, No. 1103-A R., Public Works.

Read—again the following paper:—

G.O., dated 7th December 1888, No. 1058 R., Public Works.

Read—also the following paper:—

From the Consulting Engineer for Railways, dated Madras, 21st December 1888, No. 447 A.

From the Agent and Chief Engineer, His Highness the Nizam's Guaranteed State Railways Company (Limited), to the Consulting Engineer for Railways, Madras, dated Secunderabad (Deccan), 21st December 1888, No. 2311 W.

With reference to your letter, No. 2022, dated 8th instant, giving cover to Government of India No. 1119 R.C., dated 28th ultimo, concerning the working of the Bezvada Railway by this company, I have the honor to transmit copy of a telegram which I have received from the Board of Directors to the following effect:—

"Board of Directors His Highness the Nizam's Railway in interest Government. His Highness the Nizam and Company cannot accept the risk without compensatory fifth net revenue earnings."

2. I have the honor to request early instructions regarding the intention of the Government of India, as the whole line to Bezvada will be ready to open to public traffic on or about the 15th January next.



Submitted to Government with reference to Proceedings, No. 1058 R., dated 7th December 1888.

Order—dated 21st December 1888, No. 1103-A R., Public Works.

Ordered that the following telegram be despatched to the Government of India:—

“Your 1119, November 28th. Nizam's Railway Board wire cannot accept risk without fifth net earnings. Please wire instructions Bezvada before Sunday care Furnivall.”

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,  
Joint Secy. to Govt., P.W.D.,  
Railway Branch.

Telegram from the Secretary to the Government of India, Public Works Department, to the Joint Secretary to the Government of Madras, Public Works Department Railway Branch, dated Calcutta, 22nd December 1888, No. C 138.

Your telegram 21st. Government declines to give Nizam's Company share surplus profits Bezvada extensions. Please wire early decision to enable Government to consider other arrangements for working.

No. 5261-A C.

Copy forwarded to the Consulting Engineer for Railways with reference to his endorsement No. 447 A., dated 21st December 1888.

(Signed) C. J. SMITH, Colonel, R.E.,  
Joint Secy. to Govt., P.W.D.,  
Railway Branch.

28th December 1888.

G.O., dated 15th January 1889, No. 41 R., Public Works.

Read—again the following papers:—

G.O., dated 21st December 1888, No. 1103-AR., Public Works.

Endorsement in the Public Works Department, dated 28th December 1888, No. 5261-AC.

G.O., dated 11th January 1889, No. 20 R., Public Works.

From the Consulting Engineer for Railways, dated 10th January 1889, No. 17.

Telegram from the Agent and Chief Engineer, His Highness the Nizam's Guaranteed State Railways Company (Limited), dated 9th January 1889.

Submitted to Government for transmission to the Government of India with reference to their telegram, dated the 22nd December 1888 (No.  $\frac{5261}{A}$  C., dated 28th idem).

Order—dated 11th January 1889, No. 20 R., Public Works.

Ordered that the following telegram be despatched to the Government of India:—

“Your telegram C 138. Nizam's Railway Board withdraw objection and will accept working Bezvada extension without one-fifth net profits. Agent asks if he or Government will prepare working agreement.”

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,  
Joint Secy. to Govt., P.W.D.,  
Railway Branch.

Read—also the following paper:—

Telegram from the Secretary to the Government of India, Public Works Department, to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Calcutta, 12th January 1889, No. C-9.

Your telegram of eleventh. Working agreement Bezvada extension will be drawn up here and sent to you for Agent's approval and acceptance.

Order—dated 15th January 1889, No. 41 R., Public Works.

Communicated to the Consulting Engineer for Railways with reference to his endorsement No. 17, dated 10th January 1889.

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,  
Joint Secy. to Govt., P.W.D.,  
Railway Branch.

G.O., dated 14th August 1889, No. 883 R., Public Works.

Read—again the following paper:—

G.O., dated 15th January 1889, No. 41 R., Public Works.

G.O., dated 22nd March 1889, No. 318 R., Public Works.

From the Consulting Engineer for Railways, dated Madras, 16th March 1889, No. 136.

From the Agent and Manager, His Highness the Nizam's Guaranteed State Railways Company (Limited), to the Consulting Engineer for Railways, Madras, dated Secunderabad (Deccan), 14th March 1889, No. 575 W.

I have the honor to invite attention to your endorsement No. 77, dated 16th January last, forwarding Proceedings of the Government of Madras in the Public Works Department, in which was embodied a telegram from the Government of India regarding preparation of the working agreement of the Bezvada Extension Railway, and to request that the drawing up of the agreement may be expedited.

Submitted to Government with reference to G.O., No. 41 R., dated 15th January 1889.

Telegram from the Agent and Manager, His Highness the Nizam's Guaranteed State Railways Company (Limited), dated Secunderabad, 9th January 1889.

Order—dated 22nd March 1889, No. 318 R., Public Works.

Ordered to be forwarded to the Government of India with reference to their telegram, dated 12th January 1889, No. C-9.

(Here enter No. 319 R., dated 22nd March 1889.)

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,  
Joint Secy. to Govt., P.W.D.,  
Railway Branch.



Endorsement—dated 22nd March 1889, No. 319 R., Public Works.

Forwarded.

(By Order.)

(Signed) C. J. SMITH, Colonel, R.E.,  
Joint Secy. to Govt., P.W.D.,  
Railway Branch.

Read—also the following paper :—

From Major M. C. BRACKENBURY, R.E., Under-Secretary to the Government of India, Public Works Department (Railway Traffic), to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Simla, 19th July 1889, No. 339 R.T.

With reference to your docket No. 319 R., dated the 22nd March 1889, I am directed to forward, for the approval of His Highness the Nizam's Guaranteed State Railway Company, copy of an agreement for working the Bezvada Extension State Railway by His Highness the Nizam's Guaranteed State Railway Company.

ENCLOSURE.

*Agreement for the working by His Highness the Nizam's Guaranteed State Railways Company of the Bezvada Extension State Railway.*

THIS INDENTURE made the            day of            18            between THE SECRETARY OF STATE FOR INDIA IN COUNCIL (hereinafter called "the Secretary of State") of the one part and HIS HIGHNESS THE NIZAM'S GUARANTEED STATE RAILWAYS COMPANY Limited a Joint Stock Company with limited liability registered under the English Companies Acts 1862 to            and having its registered office in London (hereinafter called the Company) of the other part :—

WHEREAS in clause 3 (f) of the Company's memorandum of association the objects for which the Company was established are stated to be amongst others the making and carrying into effect agreements or arrangements for the working management maintenance or use by the Company of the railways works or property of other parties and granting to other parties the right to work manage maintain or use any railways works or property of the Company or for joint working management or maintenance and user of any of such railways works or property and for the interchange and transmission of traffic and the division and allocation of traffic receipts and working expenses.

AND WHEREAS the Secretary of State has constructed on the British territory which lies between the frontier of His Highness the Nizam's State and Bezvada a town in the Madras Presidency at the cost of the revenues of India a line of railway known as the Bezvada Extension State Railway being of the same gauge and in prolongation of the Company's undertaking.

AND WHEREAS from and after the 4th February 1889 the date of opening of the said Bezvada Extension State Railway the said railway with all its plant and machinery and serviceable working stores has been and now is in the hands of the Company and is now being worked by them.

AND WHEREAS the Secretary of State and the Company have agreed that the Company shall maintain and work the said Bezvada Extension State Railway which has recently been constructed by the Secretary of State upon the terms and conditions hereafter contained.

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

1. "The Nizam's Guaranteed State Railway" means the railway worked by the Company on or before the 4th of February 1889 and any alterations and additions that may from time to time during the continuance of this contract be made in or to the said railway by or with the sanction of the Government of His Highness the Nizam but not so as to include any railways or works comprised in "The State Railway" as hereinafter defined.

2. "The State Railway" means the Bezvada Extension State Railway that is to say the lines of railway extending from His Highness the Nizam's frontier on the Nizam's Guaranteed State Railway to Bezvada with any improvements alterations and additions of whatever description that may from time to time be made in or to the said railway by or with the sanction of the Secretary of State but with the exception of the telegraphs and telegraphic appliances used or to be used thereon.

3. "The amalgamated undertaking" means "the Nizam's Guaranteed State Railway" and "the State Railway" (as defined above in sections 1 and 2 respectively) taken as a whole the intention being that these two railways under the terms hereinafter contained in this contract should be worked together as if the two constituted but a single railway.

4. "Gross receipts" mean and include when not otherwise stated all receipts from coaching and goods traffic and from telegraphs all sums received as rents and all other receipts usually treated as railway revenue.

5. This agreement shall be taken to have commenced and as having come into force upon the 4th day of February 1889 and shall be subject to revision from time to time and shall be and remain in force until the 31st day of December 1890 and shall be terminable then or on the 1st January or the 1st July in any year thereafter on six months' previous notice in writing being given by either party to this Agreement to the other but without prejudice to the rights of either party against the other in respect of any covenant herein contained which may have been previously broken.

6. An inventory of the State Railway plant and machinery handed over as aforesaid as on the 4th of February 1889 shall be made and signed by or on behalf of the Secretary of State and the Company and the value of the same at cost price as shown in the accounts of the Government (including the value as certified by the Secretary of State of the land occupied or used for the purposes of the Railway as well as such additions as are properly chargeable on account of exchange in respect of payments made in England) shall be entered in the Capital Account of the State Railway as hereinafter provided.

7. The Company shall make up and deliver to the Secretary of State an account of all such stores delivered to the Company on the 4th of February 1889 and of the value of such stores the value thereof (except in those cases if any in which a different value is agreed upon by the Secretary of State and the Company) shall be taken as entered in the accounts of the Government with such additions in the case of all stores paid for in England as according to the average rate of exchange during the half-year in which the several payments were entered in the accounts are properly chargeable in respect of payments in England to the like amounts made on Indian account.

8. During the continuance of this contract the Company shall maintain the State Railway and keep the same supplied with rolling-stock plant and machinery as if it were part of the Nizam's Guaranteed State Railway and shall do all in their power to develop the traffic on the State Railway and shall manage use and work the State Railway and shall convey traffic thereon. In respect of the supervision and control of the Company by the Secretary of State over matters connected with the State Railway and in all respect not otherwise provided for by this contract the Secretary of State and the Company respectively shall and may with reference to the respective matters aforesaid have execute enjoy put in force and be subject to the like rights powers authorities privileges provisions regulations duties and obligations as are by the principal contract dated the 27th day of December 1883 in respect of such matters respectively given or reserved to or imposed upon the Government of His Highness the Nizam and the Company respectively provided always that nothing in this contract contained shall operate so that the said State Railway shall form part of the Nizam's Guaranteed State Railway.

9. In all matters relating to the State Railway and not herein specially provided for the Company shall be subject to the supervision and control of the Secretary of State.

10. As soon as practicable a joint inspection shall be made on the part of the Secretary of State and the Company and the works and expenditure that may be considered necessary to complete the State Railway having regard to the traffic to be expected thereon shall be determined and entered in detail in a schedule of works the cost of which is considered as chargeable to Capital as properly appertaining to the original equipment of the line.

11. The Secretary of State shall pay the Company at such times and in such amount as may be agreed upon such sum or sums as may be necessary to carry out such of these works referred to in the preceding section as may be approved by the Secretary of State in order to place the State Railway in such good and sufficient working order and condition as the Secretary of State may consider to be expedient having regard to the traffic to be expected thereon. The works necessary for the abovementioned purpose shall be proceeded with and continued with reasonable expedition until the same are complete and the Company shall expend and apply all moneys received by them under this section in or towards placing the State Railway in such good and sufficient working order as aforesaid to the satisfaction of the Secretary of State as far as such moneys shall suffice.

12. On the maintenance of way and works appertaining to the State Railway being undertaken by the Company no extraordinary expenditure on repairs or minor works shall be incurred without the consent of the Secretary of State. The Secretary of State shall be the sole judge as to the standard of maintenance to be required and the Revenue accounts provided for in sections 38 and 39 following shall not be closed and made up until such time as the maintenance is certified to by the Inspecting Officer appointed under the Indian Railway Act of 1883 or any



subsisting statutory modification thereof as having been brought up to the standard required and the whole cost of the same debitable to revenue has been duly charged off.

13. The Company shall be responsible for all accidents and for loss and damage of every kind (including claims for lost or damaged goods) that shall occur upon the State Railway except accidents loss or damage caused by the failure of the permanent-way or works arising from defective original construction or caused by any extraordinary casualty not due to defects in the maintenance or working of the said State Railway by the Company. The Secretary of State shall be responsible for any accident or damage that the Company could not have prevented which may result from any such failure of the permanent-way or works arising from defective original construction. Should any of the permanent works such as bridges station buildings or other works upon the State Railway fail from causes beyond the control of the Company or should any extraordinary casualty occur the case must be regarded as exceptional and the cost of construction or replacement must be charged to Capital or Revenue or divided between them as may be deemed by the Secretary of State proper according to the circumstances of the case.

14. All subsequent works and alterations chargeable to Capital under the rules for the time being in force on State Railways and which may from time to time be agreed upon as necessary for the efficient working of the State Railway shall also be carried out by the Company at the expense of the Secretary of State.

15. The Secretary of State may from time to time by notice in writing require the Company to carry out any alteration or improvement in the State Railway or any addition thereto that may in his opinion be necessary for the safety of passengers or for the safety of the public or for the effectual working of the State Railway. Such notice shall specify the alteration improvement or addition required and shall also in general terms describe the works to be executed for the purpose of carrying out such alteration improvement or addition. On receiving any such notice the Company shall with all reasonable speed commence and proceed to execute the works described therein. If in any case the Company shall for a period of three months after receipt of such notice neglect to proceed with the proposed works or fail to complete the same to the satisfaction of the Secretary of State the Secretary of State may enter on the State Railway and execute the said works.

16. Any moneys required by the Company for any purpose properly chargeable to Capital account in connection with the State Railway and sanctioned under sections 11, 13 or 14 or required by the Secretary of State under section 15 shall be provided by the Secretary of State according to such arrangements as shall from time to time be made between the Secretary of State and the Company. The Secretary of State will also provide for the Company any land that may at any time be required for the State Railway. The incidence of the cost of all works to be constructed shall be agreed upon before the work is commenced and Government will then decide the sum to be provided from the annual budget.

17. For purposes in connection with the State Railway the Company shall not acquire either absolutely or for any limited estate any land situate in British territory or in the dominions of any allied tributary or foreign State or any rights or easements in or over or in respect of any land so situate. The expression "land" includes as regards the operation of this clause buildings lands and all other hereditaments of whatever description. This section does not apply to any land of which possession may be given to the Company by the Secretary of State.

18. If in the opinion of the Secretary of State any land for the time being in the possession of the State Railway shall not be required for the purposes of the amalgamated undertaking the Secretary of State shall certify such opinion to the Company. Upon receipt of the said certificate or so soon thereafter as may be the Company shall state in writing whether they acquiesce in the opinion of the Secretary of State or whether they object thereto and if so the grounds of their objection. If no objection is stated by the Company or if the grounds of their objection if any are not in the opinion of the Secretary of State sufficient the Company shall upon the requisition of the Secretary of State go out of possession of the land in question and the Secretary of State shall be exclusively entitled to possession thereof.

19. During the continuance of this contract the Company shall have entire control of the traffic working of the State Railway shall supply all staff required for the supervision and working including that for audit and accounts and shall supply all locomotives and other rolling-stock fuel and working stores required for the efficient working of the State Railway.

20. The Company shall keep the State Railway together with the plant and machinery in good repair and good working condition to the satisfaction of the Secretary of State. If the Company shall fail for the space of one calendar month to comply with any requirement in writing of the Secretary of State in regard to the matters aforesaid or any of them the Secretary of State may enter on the State Railway and execute at the cost of the Secretary of State all such repairs to the way and works plant and machinery as may in his opinion be required for the proper working of the State Railway.

22. The Company shall cause to be run on the State Railway so many trains at such times at such rates of speed between such places and with such conveniences and accommodations as the Secretary of State shall from time to time require.

23. The Company shall from time to time upon the requisition of the Secretary of State give precedence on the State Railway over all other traffic to the demands of the Government.

24. The Company shall book goods and passengers from all stations upon the line of the State Railway to all such stations upon other lines of Railway as the Company now or shall from time to time interchange traffic with and shall otherwise extend to the traffic on the State Railway all privileges facilities and booking arrangements now or hereafter used or enjoyed by the Company in connection with other lines of Railway.

25. The Secretary of State may from time to time require the Company to allow the use of the State Railway for the passage of engines and trains from or to other railways of the same gauge upon the payment of reasonable tolls and under reasonable conditions and restrictions.

26. The Secretary of State may from time to time require the Company to make reasonable arrangements for the interchange of traffic and rolling-stock between the State Railway and other railways and for through-booking.

27. The Secretary of State may from time to time require the Company to allow the use of any of the stations on the State Railway for the accommodation of the traffic of any railway belonging to any other Company or to the Government of India or to any allied tributary or foreign State upon the payment of reasonable tolls and under reasonable conditions and restrictions and may also require the Company to make such alterations and additions as may in the opinion of the Secretary of State be necessary or convenient for the purpose of such accommodation upon such terms as may be agreed upon between the Secretary of State and the Company and may also require the Company to allow junctions to be formed between the State Railway and railways belonging to any other Company or to the Government of India or to any allied tributary or foreign State.

28. In working the State Railway the Company shall not make or give any undue or unreasonable preference or advantage to or in favor of any particular person or Company or any particular description of traffic or subject any particular person or Company to any undue or unreasonable prejudice or disadvantage. The Secretary of State shall have absolute power for the purposes of this section to decide whether any preference advantage prejudice or disadvantage is undue or unreasonable and the Company shall be bound by such decision.

29. The Company shall charge such rates fares and tolls and shall make such rules conditions and arrangements in respect of the traffic on the said State Railway as are now or shall be from time to time in force upon the Nizam's Guaranteed State Railway subject to the following exception:—

(1) Construction and revenue stores required for the State Railway shall be carried over the lines of the amalgamated undertaking at the rates and under the conditions in force for the time being on the Indian State Railways generally.

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

31. For the purposes of inspecting the amalgamated undertaking and auditing the accounts of the Company or otherwise exercising such supervision and control as are intended to be reserved to the Secretary of State by this contract over all matters connected with the State Railway the Secretary of State may from time to time appoint such person or persons as he may think proper with such powers as he may consider necessary or expedient and the Company shall afford every person so appointed all reasonable facilities for the purpose of enabling him to perform the duties entrusted to him by the Secretary of State. And the Agent of the Nizam's Guaranteed State Railway in India shall both at the head-quarter office and other offices on the State Railway and at its stations and junctions allow such person or persons all reasonable access to sources of information regarding the traffic and working and to the division of receipts made in the Nizam's Guaranteed State Railway accounts which might in any way affect the gross receipts of the State Railway.

32. The Company shall to the satisfaction of the Secretary of State record and keep in proper books full and particular accounts of all their transactions and proceedings including full



and true minutes of all their meetings of Directors communications with India and correspondence in any way relating to or affecting the State Railway or the business thereof or any of the matters or things included or referred to in this contract so as at all times to exhibit fully and truly the state of their affairs in relation thereto and the Secretary of State or any person or persons appointed by him in that behalf shall at all reasonable times have free access to all the books accounts papers and documents of the Company relating to the State Railway with power to call for or make copies of or extract from the same.

33. The Company shall keep all such accounts relating to the State Railway and all such accounts as between the Company and the Secretary of State as the Secretary of State shall from time to time require and shall keep the accounts relating to the Capital expenditure and the gross receipts of the State Railway separate and distinct from the accounts relating to the Nizam's Guaranteed State Railway. Such accounts shall be kept in such form and under such heads or divisions and for such sections of the State Railway and for such periods and with such details and shall be submitted to the Secretary of State at such times as he shall from time to time prescribe.

34. Unless and until otherwise directed the Company shall keep the following accounts in regard to the State Railway—

- A Capital Account including the Stores Accounts.
- A Revenue Account.

35. In the Capital Account of the State Railway the following particulars shall be entered to debit and credit respectively (that is to say)—

*To Debit*

- (a) The value at cost price as shown in the accounts of the Government as and in manner aforesaid inclusive of the railway plant and machinery handed over to the Company as aforesaid
- (b) The value as certified by the Secretary of State of all land provided by him after the 4th February 1889 for the purposes of the State Railway.
- (c) All moneys which shall be actually expended by the Company with the sanction of the Secretary of State out of funds provided by him or expended by the Secretary of State in respect of the State Railway upon works rolling-stock plant or machinery the cost of which is chargeable to capital or upon any alterations or additions which may be required to bring the State Railway or the works rolling-stock plant or machinery connected therewith up to a proper standard in point of efficiency as determined by the Secretary of State and its works rolling-stock plant and machinery.
- (d) All such other sum (if any) as ought under the provisions of this contract to be entered to debit in the Capital Account.

*And to Credit*

- (e) All such of the moneys to be received by or on behalf of the Company in respect of the State Railway as ought under the provisions of this contract to be treated as received on account of capital.
- (f) The value (to be determined by the Secretary of State) of any land of which the Company shall have been allowed to take possession for the purposes of the State Railway and which shall have been subsequently relinquished to the Secretary of State in accordance with section 18 of this contract or otherwise.

36. All moneys expended by the Company on the Capital Account of the State Railway and all other expenses of the Company in connection therewith shall from time to time be stated and submitted to the Secretary of State for his sanction and as between the Company and the Secretary of State shall be allowed only so far as the same shall from time to time have been sanctioned by the Secretary of State. The Capital Account shall from time to time as the Secretary of State shall require be made up and the balance thereon ascertained and stated therein.

37. The gross receipts of the State Railway are to be collected and treated as receipts of the Nizam's Guaranteed State Railway. Moneys such as shall arise from the sale of any property on any occasion other than the replacement of the property sold by other property of the same or a similar character shall be treated as received on account of Capital the residue shall be treated as received on account of Revenue. Provided always that no sale of any property on any occasion other than such replacement as aforesaid shall be made without the sanction of the Secretary of State.

38. The Company shall keep a distinct and separate account of the gross receipts of the State Railway to be called "The Bezvada Extension State Railway Revenue Account." Such accounts shall be made up half-yearly to the 30th day of June and the 31st day of December in each year or to such other day as the Secretary of State may at any time prescribe and shall be regularly submitted by the Company to the Secretary of State who may audit the same either concurrently with or after the booking of the account or in both ways as he may think fit and may in case of any error being discovered therein correct the same within three

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

39. All costs charges and expenses incurred by the Company in the maintenance of the way works plant and machinery of the State Railway properly chargeable to maintenance in accordance with the orders issued from time to time by Government for the preparation of the Revenue Accounts of the Indian Railways generally shall be defrayed by the Secretary of State in such manner as may be agreed upon. All costs charges and expenses other than charges for maintenance incurred by the Company in connection with the management use and working of the State Railway and the conveyance of traffic thereon properly chargeable to Revenue Account shall be paid out of the gross receipts of the amalgamated undertaking and so far as possible out of the gross receipts of the half-year to which they are properly attributable and in each half-year there shall be deducted from the gross receipts of the State Railway such sum as shall bear the same rate per cent. to the gross receipts of the State Railway as the aggregate joint working expenses of the amalgamated undertaking under all departmental heads other than maintenance shall bear to the aggregate gross receipts of the amalgamated undertaking during such half-year. From the balance of the gross receipts of the State Railway shall be further deducted 5 per cent. of the total gross receipts which shall be credited to the Company for the hire of rolling-stock and the balance of such gross receipts after making the said two deductions shall be paid over to the Secretary of State.

40. In case any question shall arise whether any expenditure incurred for the purposes of the amalgamated undertaking is to be treated in the whole or in part as a charge incurred on Capital Account or how the same is to be dealt with the question shall be determined on the general principle that Capital is to bear the cost of new works of additional rolling-stock plant and machinery and of substantial improvements of and additions to old works rolling-stock plant and machinery including the cost of any temporary new work the construction of which is requisite for the construction of a work properly chargeable to Capital and that the cost of repairs restorations renewals replacements and substitutions is to be borne by Revenue.

If any difference shall arise between the Secretary of State and the Company as to whether any expenditure of the Company is properly chargeable to Capital or Revenue the matter in difference shall be referred to the decision of the Joint Auditor if the Secretary of State and the Company shall have appointed such an officer but in case a Joint Auditor shall not have been appointed then the matter in difference shall be referred for final decision to some person to be appointed by the Company and a Government Examiner of Railway Accounts or some other person to be named by the Secretary of State or in case of their being unable to agree to a referee to be named by them. The cost of any such reference shall unless the Secretary of State shall otherwise direct be treated as part of the joint working expenses of the amalgamated undertaking.

41. The accounts of the Company in relation to the Capital Account and to the gross receipts of the State Railway shall from time to time be audited on behalf of the Secretary of State by such person or persons as he shall from time to time appoint and the Company shall produce to the auditors or auditor so appointed by the Secretary of State all vouchers books accounts papers and documents of the Company necessary for the purpose of audit and afford to them or him all facilities requisite for performance of their or his duties. Amongst the functions of the auditors or auditor shall be included the duty of seeing that expenditure is charged and revenue applied in accordance with the provisions of this contract. Any correction made in the accounts by any person or persons who shall be acting as joint auditor or joint auditors on behalf of the Secretary of State and the Company shall be conclusive. If consequent on the audit of any auditor acting exclusively on behalf of the Secretary of State the Secretary of State shall require any alterations to be made in the accounts and the Company shall object to such alterations the matter in difference shall be referred for final decision to two persons one to be named by the Secretary of State and the other to be named by the Company and in case such two persons shall be unable to agree then to an umpire to be named by the referees. The necessary costs of any such reference as last aforesaid shall lie included in the joint working expenses of the amalgamated undertaking.

42. The Company shall from time to time make such returns and furnish such statistics relating to the State Railway in such form and under such heads and divisions and with such details as the Secretary of State may from time to time require. The costs of preparing such returns and statistics and incidental thereto shall be treated as part of the joint working expenses of the amalgamated undertaking and covered by the deduction from the gross receipts of the State Railway payable to the Company under section 39.

43. The cost of providing and maintaining the force of police required for the purposes aforesaid shall be defrayed in the following manner that is to say three-tenths shall be borne by



the Secretary of State and the remaining seven-tenths including the indirect charges for leave pension and supervision calculated in accordance with Resolution by the Government of India in the Financial Department No. 5612 dated 13th October 1888 shall be treated as part of the joint working expenses of the amalgamated undertaking and covered by the deduction made from the gross receipts of the State Railway payable to the Company in accordance with section 40. And if the Secretary of State shall consider that any addition to the force is required for the preservation of law and order for the purposes of the State Railway his determination on that point shall be final and such addition shall be made accordingly.

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

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

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

47. The Company if so directed by the Secretary of State shall in relation to any electric telegraphs or telegraphic appliances of which under the 16th section of this contract it shall for the time being be allowed to have the use observe the rules applicable to telegraphs and telegraphic appliances which shall for the time being be in force in the case of State Railway telegraphs or such of the said rules as the Secretary of State may from time to time prescribe to be observed by the Company and the Company if so directed by the Secretary of State shall account in such manner as shall be prescribed by the rules which shall for the time being be in force in relation to State Railway telegraphs or as the Secretary of State shall require for the receipts derived from the working of telegraphs and telegraphic appliances.

48. The Director-General of Railways shall have the power of issuing free passes over any part of the State Railway in accordance with the rules for the issue of free passes over Indian State Railways.

49. No claim shall be made upon the Secretary of State by the Company in respect to the State Railway for compensation in respect of the prejudicial effect upon the amalgamated undertaking of any Act of the Indian Legislature of general applicability for the time being in force. And the Company shall in respect to the State Railway be subject to the provisions of every such Act and no claim shall be made upon the Secretary of State by the Company for compensation in respect of the prejudicial effect upon the amalgamated undertaking of any treaty convention or agreement for the time being in force between the Secretary of State and the Government of any allied tributary or foreign State although such treaty convention or agreement may not be of general applicability. And the Company in respect to the State Railway shall be subject to the provisions of every such treaty convention or agreement as mentioned in this section.

50. No communication or negotiation of any kind in respect of any matter whatever in connection with the State Railway shall be made or conducted by or on behalf of the Company to or with the Government of any allied tributary or foreign State or with any officials of any such Government as last aforesaid except under the control of the Government of India and in such manner and under such rules as the Government of India shall from time to time direct in that behalf.

51. The Company shall at all times during the continuance of this contract keep an office established at Hyderabad and shall keep at the said office an authorized agent or committee of agency with whom the Secretary of State and the Government of India or other officer or officers deputed in that behalf may communicate on affairs concerning the State Railway and all drafts drawn and receipts given by the said agent or committee of agency or under his or their authority on behalf of the Company concerning the State Railway and the affairs thereof shall be binding on the Company and every notice to be given to the Company shall be sufficiently given if left at or sent by post under a registered cover to the said office or personally served on the said agent or any member of the said committee of agency.

52. Any notice direction requisition appointment certificate of opinion approval or sanction to be given or signified on the part of the Secretary of State for any of the purposes of this contract shall be sufficient and binding if in writing signed by the Secretary of State or one of his Under Secretaries or by a Secretary Deputy Under or Assistant Secretary of Government in India or by any other officer or servant duly authorized to act on behalf of the Secretary of State in respect of the matters to which the same shall relate and the Secretary of State shall not in any case be bound in respect of the matters aforesaid unless by some writing signed in the manner before mentioned.

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

54. If there shall be any breach on the part of the Company (whether by act or omission or default) of any of the stipulations or provisions of this contract on the part of the Company to be performed or observed and the Company shall fail to remedy effectually any such breach as aforesaid within six calendar months after notice in writing to remedy the same shall have been given to the Company by the Secretary of State he may on or at any time after the expiration of the six calendar months last aforesaid determine this contract by giving to the Company notice in writing of such determination.

55. Upon the determination of this contract under either of the two sections 5 or 54 or by effluxion of time the Company shall give to the Secretary of State possession of the State Railway together with the plant and machinery belonging thereto and all stores in hand or in course of delivery on the day of the determination of the contract and all plans books surveys sections printings writings and documents whatsoever in anywise connected with the State Railway and all other property (if any) belonging or appertaining thereto and shall pay to him all moneys in their possession on account of the State Railway. And after such possession shall have been given and after all moneys which under this contract shall have become payable to the Secretary of State shall have been duly paid the Secretary of State shall be bound to indemnify the Company their property and effects against all such debts and liabilities (if any) as they may have incurred with the sanction of the Secretary of State and which shall be then subsisting.

56. Upon the termination of this contract the working stores appertaining to the State Railway which may have been provided by the Company shall if the Company so desire be taken over by the Secretary of State at a valuation to be determined by mutual agreement or if necessary by arbitration. Any stock purchased from the Secretary of State and no longer required by the Nizam's Guaranteed State Railway shall be taken back at a valuation to be determined in a similar manner.

57. If the Secretary of State and the Company shall fail to agree touching any matter with respect to which their agreement is required by this contract or if in any case not herein specially provided for any dispute question or controversy shall at any time arise between the Secretary of State and the Company touching these presents or any section or thing herein contained or the construction hereof or any matter connected with these presents or the operation hereof or the rights duties or liabilities of either party in relation to the premises then and in every such case the matter as to which the Secretary of State and the Company shall fail to agree or the matter in difference as the case may be shall be referred to two arbitrators or their umpire pursuant to and so as with regard to the mode and consequences of the reference and in all other respects to conform to the provisions in that behalf contained in the common Law Procedure Act 1854 or any subsisting statutory modification thereof and upon every such reference the arbitrators and umpires shall respectively have power to examine witnesses upon oath or affirmation and either to fix settle and determine the amount of costs of the reference and award respectively or incidental thereto to be paid by both parties or by either party or to direct the same to be taxed either as between solicitor and client or otherwise and to direct and award where and by and to whom such costs shall be paid and every or any such reference may be made a rule of Her



Majesty's High Court of Justice or of the High Court of Judicature at Bombay on the application of the Secretary of State or of the Company and either the Secretary of State or the Company may instruct counsel to consent thereto for the other party.

58. IN WITNESS WHEREOF, &c.

Order—dated 14th August 1889, No. 883 R., Public Works.

Communicated to the Consulting Engineer for Railways with reference to his endorsements noted below:—

No. 345, dated 22nd October 1888,  
 „ 384, „ 8th November „  
 „ 447-A, „ 21st December „  
 „ 17, „ 10th January 1889.  
 „ 136, „ 16th March „

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,  
 Joint Secy. to Govt., P.W.D.,  
 Railway Branch.

G.O., dated 18th October 1889, No. 1117 R., Public Works.

From Major M. C. BRACKENBURY, R.E., Under-Secretary to the Government of India, Public Works Department (Railway Traffic), to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Simla, 25th September 1889, No. 515 R.T.

In continuation of Public Works Department No. 339 R.T., dated the 19th July 1889, I am directed to forward herewith, for the approval of His Highness the Nizam's Guaranteed State Railway Company, a revised para. 43 to be substituted for para. 43 of the proposed agreement for the working, by His Highness the Nizam's Guaranteed State Railway Company, of the Bezvada Extension State Railway, which formed an enclosure to the Public Works Department letter quoted.

2. The revised clause differs from the original in that it includes in the Police charges the cost of clothing and contingencies besides the other charges previously inserted.

ENCLOSURE.

Revised para. 43 to be substituted for para. 43 of the proposed Agreement for the working, by His Highness the Nizam's Guaranteed State Railways Company, of the Bezvada Extension State Railway, which formed an enclosure to Public Works Department letter No. 339 R.T., dated the 19th July 1889.

43. The cost of providing and maintaining the force of police required for the purposes aforesaid shall be defrayed in the following manner, that is to say, three-tenths of the whole cost, including cost of clothing and contingencies, and also the indirect charges for leave, pension and supervision calculated in accordance with Resolution by the Government of India in the Financial Department, No. 5612, dated 13th October 1888, shall be borne by the Secretary of State and the remaining seven-tenths shall be treated as part of the joint working expenses of the amalgamated undertaking and covered by the deduction made from the gross receipts of the State Railway payable to the Company in accordance with section 39. And if the Secretary of State shall consider that any addition to the force is required for the preservation of law and order for the purposes of the State Railway, his determination on that point shall be final and such addition shall be made accordingly.

Order—dated 18th October 1889, No. 1117 R., Public Works.

Communicated to the Consulting Engineer for Railways in continuation of Proceedings No. 883 R., dated 14th August 1889.

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,  
 Joint Secy. to Govt., P.W.D.,  
 Railway Branch.

G.O., dated 24th December 1889, No. 1434 R., Public Works.

From Major M. C. BRACKENBURY, R.E., Under-Secretary to the Government of India, Public Works Department (Railway Traffic), to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Simla, 26th October 1889, No. 646 R.T.

I am directed to invite attention to Government of India, Public Works Department, letters Nos. 339 R.T. of the 19th July 1889 and 515 R.T. of the 25th September 1889, the former forwarding, for the approval of His Highness the Nizam's Guaranteed State Railway Company, copy of an agreement for working the Bezvada Extension State Railway by His Highness the Nizam's Guaranteed State Railway Company, the latter revising paragraph 43 of the proposed agreement, and to request the favor of an early reply.

No. 5284 C.

Referred to the Consulting Engineer for Railways with reference to Proceedings, Nos. 883 R. and 1117 R., dated 14th August and 18th October 1889.

(Signed) C. J. SMITH, Colonel, R.E.,  
 Joint Secy. to Govt., P.W.D.,  
 Railway Branch.

13th November 1889.

From the Consulting Engineer for Railways, dated Madras, 19th December 1889, No. 518.

From the Secretary to Resident, Hyderabad Public Works Department, dated Bolarum, 4th December 1889, No. 362 Ry.

From the Agent and Manager, His Highness the Nizam's Guaranteed State Railways Company (Limited), dated Secunderabad (Deccan), 27th November 1889, No. 2232 W.

Submitted to Government, with reference to the undermentioned Proceedings of Government:—

No. 883 R. of 14th August 1889  
 „ 1117 R. of 18th October „  
 „ 5284 C. of 13th November „

for the orders of the Government of India.

2. The terms for working the Bezvada Extension Railway (State Railway) as put forward by the Board of His Highness the Nizam's Guaranteed State Railway Company, and the "agreement" forwarded by the Government of India differ in many important respects. In addition to this the Board's proposals are somewhat loosely worded.

PARAS. IN AGENT'S LETTER.

Para. 1. Train Service.—With the exception of a proviso to run one train each way per diem, the Board wish to have the working of the trains entirely in the hands of the Company. The "agreement" would place the whole control of the train service under the Secretary of State (22).



*Para. 2. Fares.*—The Board propose to carry construction and revenue stores for the State Railway on the same condition as those in force on their own lines. The agreement provides for these stores being carried on terms similar to those prevailing on Indian State Railways (29—(1)).

*Para 3. (a). Carriage of Government Employés, Stores, &c.*—The Board wish to carry Government officials and stores on similar terms to those in force on the Nizam's Guaranteed State Railways; the agreement specifies State Railway conditions (30.)

*(b). Precedence of Traffic.*—The Board would only give precedence to Government traffic in case of war, or national emergency. The agreement requires precedence to be given on the Secretary of State's requisition (23).

*Para. 4. Method of calculating working expenses on State Line.*—The wording of the "agreement" is the more precise. The Board desire to calculate on the basis of their own line, while the "agreement" proposes the "amalgamated undertaking" (39).

*Para. 5 (a). Estimate of gross earnings and receipts on amalgamated undertaking;*  
*(b) Government right of access to documents.*—A half-yearly estimate of probable gross earnings and working expenses is offered by the Board, but is apparently not entered in "the agreement." The Board refuse the Secretary of State the right to go into all the documents belonging to the Nizam's Guaranteed State Railways that may affect the State Railway (32).

*Para. 6. Maintenance Estimate.*—The Board offer to furnish Government at the commencement of every half-year with a maintenance and renewal estimate; this is apparently not touched on in the agreement.

*Para. 6 (b). Proper maintenance of Tools, Plant, Way, &c.*—The Board accept the terms of the "agreement," but make no reference to the powers of the Secretary of State in cases where the Company fail to comply with requisitions (20).

*Para. 7. Execution of Capital Works.*—No remarks.

*Para. 8. Rolling-stock.*—In consideration of the Company supplying rolling-stock, the Board propose 5 per cent. on the gross earnings of the State line for the half-year which is in accord with the "agreement" (39.)

*Para. 9. Accounts.*—The Board offer to render half-yearly accounts of Capital and Revenue expenditure in the Company's form; the agreement requires all accounts to be kept in such forms as the Secretary of State shall prescribe (33 and 34.)

*Para. 10. Allocation of charges.*—The Board propose to allocate between Capital and Revenue on the principles laid down in clauses 28 and 33 of the agreement, dated 23rd December 1883, between the Nizam's Government and the Company. The agreement specifies the conditions of allocation.

*Para. 11. Payment of net earning.*—The agreement simply directs that net earnings shall be paid over to the Secretary of State (39).

*Para. 12. Appointment, &c., of staff.*—No remarks.

*Para. 13. Telegraphs.*—No remarks.

*Para. 14. Police.*—Apparently the Board have not come to any decision in the matter, and propose to make an agreement with Government on lines similar to the Great Indian Peninsula Railway and the Madras Railway (43).

*Para. 15. Losses and damages.*—The Board propose that losses, from accidents, or loss or damage to goods carried over the amalgamated undertaking (excepting such as are debitable to maintenance), shall be borne by the revenue of the amalgamated undertaking. The agreement lays down that the Company shall be responsible for such losses on the State Railway, so that presumably the amalgamated earnings should not be debited with these charges (13).

*Para. 16. Land.*—No remarks.

*Para. 17. Free passes.*—The Board place the issuing of passes in the hands of the Agent, under the Nizam's Guaranteed State Railway rules; the agreement in the hands of the Director-General of Railways, under Indian State Railway rules. These two rules are at present identical, but they may not remain so (48).

*Para. 18. Duration of agreement.*—No remarks.

*Para. 19. Communicating authorities.*—The Board propose that all their communication shall be to the Consulting Engineer for Railways, Madras, through the Resident, Hyderabad, and that all communications to their Agent should be by the

Consulting Engineer for Railways, Madras. Nothing is said in the agreement about the Resident being the channel of communication.

As regards the Agent's office, the agreement lays down Hyderabad, the Board Secunderabad (51).

*Para. 20. Settlement of differences of opinion.*—The two are practically the same.

Order—dated 24th December 1889, No. 1434 R., Public Works.

Ordered to be forwarded for the orders of the Government of India, with reference to its letters as under—

No. 339 R.T., dated 19th July 1889.

„ 515 R.T., „ 25th September 1889.

„ 646 R.T., „ 26th October „

2. It is observed that the revised para. 43 to be substituted for para. 43 of the proposed agreement, which formed an enclosure to Public Works Department letter No. 339 R.T., dated the 19th July 1889, is somewhat ambiguously worded as to the incidence of the cost for indirect charges for leave, pension and supervision.

It is presumed that the "whole cost" mentioned in line 5 includes these indirect charges, but this interpretation, as the clause is worded, might be questioned.

(Here enter No. 1435 R., dated 24th December 1889.)

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,  
Joint Secy. to Govt., P.W.D.,  
Railway Branch.

Endorsement—dated 24th December 1889, No. 1435 R., Public Works.

Forwarded.

(By Order.)

(Signed) C. J. SMITH, Colonel, R.E.,  
Joint Secy. to Govt., P.W.D.,  
Railway Branch.

G.O., dated 15th March 1890, No. 369 R., Public Works.

From Colonel R. C. B. PEMBERTON, R.E., Secretary to the Government of India, Public Works Department (Railway Traffic), to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Calcutta, 1st February 1890, No. 0178 R.T.

I am directed to acknowledge the receipt of your endorsement No. 1435 R., dated the 24th December 1889, forwarding copy of a letter, No. 2232 W., dated the 27th November 1889, from the Agent and Manager, His Highness the Nizam's Guaranteed State Railways Company, suggesting, under instructions from his Board of Directors, that the terms and conditions upon which his Company should work the Bezvada Extension be embodied in a letter instead of in a lengthy agreement and with this object in view, that officer submits particulars which appear to him to include all that is necessary to show the mutual obligations of the Government of India and his Company.

2. In reply, I am to say that the Government of India has no objection to the conditions for working the Bezvada Extension being embodied in a letter only and approves generally of the terms proposed by the Agent and Manager of His Highness the Nizam's Guaranteed State Railway Company in his letter with the exception of clauses 4 and 9.



3. As regards clause 4, I am to observe that the Agent proposes that the extension shall be worked for the same percentage of the gross earnings of the extension as shall be found to represent "the percentage of working expenses on gross earnings on the Company's own line, &c.," but the Government of India proposed to pay that percentage of the gross earnings of the extension which the gross expenses (excluding maintenance) shall bear to the gross earnings of the amalgamated undertaking. It is probable that the two proposals are in reality one and the same, but the wording in the draft agreement prepared by Government appears the more correct of the two—seeing that if the working expenses of either line (exclusive of maintenance) are to bear the same proportion to the gross earnings on either it would be impossible to arrive at the percentage in any way other than that proposed by Government.

4. As regards clause 9 of the Agent's proposals, I am to point out that, in addition to the half-yearly accounts therein mentioned, the Government of India desires to be furnished with the usual monthly Capital Accounts and annual Capital and Revenue Accounts as well as the revised and budget estimates and other accounts and returns required from State Railways, as far as may be found necessary. To provide for the supply of these returns clause 33 of the draft agreement proposed by the Government of India should be inserted in any agreement that may be drawn up.

5. In conclusion, I am to add that the Government of India will await the submission of revised proposals embodying the conditions now noticed.

No. 818 C.

Referred to the Consulting Engineer for Railways for further report with reference to his endorsement No. 518, dated 19th December 1889.

(Signed) C. J. SMITH, Colonel, R.E.,  
Joint Secy. to Govt., P.W.D.,  
Railway Branch.

13th February 1890.

From the Consulting Engineer for Railways, dated Madras, 7th March 1890, No. 164.

From the Agent and Manager, His Highness the Nizam's Guaranteed State Railways Company (Limited), to the Consulting Engineer for Railways, Madras (through the Secretary to Resident, Hyderabad Public Works Department), dated Secunderabad (Deccan), 1st March 1890, No. 373 W.

I beg to acknowledge receipt of your letter No. 342 of the 15th February 1890, sent me through the Secretary to the Resident, Public Works Department, covering copy of a letter No. 0178 from the Government of India, on the subject of the agreement for working the Bezvada Extension Railway and, in reply, have the honor to state that clause 4 of my letter to which exception is taken was intended to be to the same effect as that embodied in clause 39 of the draft agreement drawn up by Government.

2. I see, however, that there is a mistake in this clause in my letter and that where I use the words "company's line" I should have said the "amalgamated undertaking."

3. I have made this correction in the revised letter of agreement enclosed, and I think the clause now expresses the wishes of the Government of India.

4. With regard to clause 9, to which exception is also taken, this was thought by me to meet the requirements of the Government of India, but as they wish it, I have, in addition to this paragraph, inserted in the letter embodying the conditions clause 33 of the draft agreement prepared by the Government of India.

5. I may state that the Company are now supplying all the estimates and returns the Government of India require and will continue to do so.

6. If the accompanying letter is accepted by the Government of India, then I presume the question is settled up to the end of the current year, when I trust that terms may be arranged for the permanent lease of the British section from the frontier to Bezvada by the payment of a fixed rent.

ENCLOSURE.

From the Agent and Manager, His Highness the Nizam's Guaranteed State Railways Company (Limited), to the Consulting Engineer for Railways, Madras, dated 27th November 1889, No. 2232 W.

I am instructed by my Board of Directors to suggest that the terms and conditions upon which my Company shall work the Bezvada Extension line should be embodied in a letter, instead of in a lengthy and complicated agreement. With this object in view, I am desirous to submit the following, which appears to me to include all that is necessary to show the mutual obligations of the Government of India and my Company.

1. The Company will work the Bezvada Extension Railway as a portion of its own line, and will run such trains over the extension as the traffic may require, but not less than one train each way each day. The number of trains to be run, and the time-tables, shall, from time to time, be fixed by the Company.

2. The fares charged on the Bezvada Extension Railway shall be the same as those from time to time in force on His Highness the Nizam's State Railway, and the rates for goods of all classes and descriptions, for the public, for the Government, and for Revenue and Capital purposes, or for other Railways, shall, during the continuance of this agreement, be the same as those in force on the Company's lines.

3. All services for the Post office, the Military Department, the Police Department, or any other department of the State, or for high officials, including in such service the conveyance of Post office servants when on duty, of troops, and sailors, Military and Naval establishments, horses, and other animals used for military purposes, guns, military stores and equipments, conveyance of police, or persons employed in the Telegraph service, prisoners and paupers,—shall be performed by the Company on the same terms as those in force on the Nizam's State Railway. In the event of war, or other national emergency, the Company will give precedence over the amalgamated undertaking to all traffic of the Government of India.

4. The Company will agree to work the Bezvada Extension Railway (maintenance and renewals of way, works and stations excepted), for the same percentage of the gross earnings of the State Railway as shall, in each half-year, be found to represent the percentage of working expenses on gross earnings on the amalgamated undertaking. That is to say, that whereas it appears that for the half-year ending 30th June 1889 the working expenses of the amalgamated undertaking, exclusive of maintenance and renewals of way, works and stations, amounted to 35.70 per cent. for that half-year, the same percentage of the gross earnings of the Bezvada Extension Railway shall be taken as representing the working expenses of that Railway. And in each subsequent half-year, the ascertained percentage of working expenses on gross earnings of the amalgamated undertaking shall be taken as being the percentage of working expenses to gross revenue chargeable to the Bezvada Extension Railway.

5. The Company will, if desired by Government, furnish the Government at the beginning of each half-year, or as soon thereafter as may be possible, with an estimate of the probable gross earnings of the amalgamated undertaking, and of the working expenses. But the Government is to accept the figures of the Company's working expenses as set forth in the Company's half-yearly audited and published accounts, and is not to claim the right to go behind these accounts, or to examine the Company's own books and papers.

6. The Company will, at the beginning of each half-year, furnish to the Government an estimate of the probable costs of maintenance and renewals of way, works and stations on the Bezvada Extension Railway, and the Government shall sanction that estimate, if it be approved, and provide the funds necessary. The Company will agree to maintain the line and all the works in an efficient and proper condition, and to the satisfaction of the Inspecting officer of the Government of India appointed to inspect the lines of the amalgamated undertaking, and will, if called upon by that officer, carry out any works, repairs or improvements chargeable to Revenue, which he shall require to be done, so that the line, stations, buildings, plant and machinery, may at all times be maintained in good working condition and repair.

7. Should it appear to the Government, to the Company, or to the inspecting officer, that any new works, or any additions to stations, buildings, plant or machinery, are necessary, which would constitute a capital charge, then the Company shall submit an estimate for the carrying out of the same to the Government, for its sanction, and when sanctioned, these works shall be carried out by the Company, to the satisfaction of the Government, who will provide the funds for the same.



8. The Company will keep the Extension Railway equipped with rolling-stock of all descriptions, and the Government, as a consideration to the Company for so doing, shall pay the Company in each half-year a sum equal to 5 per cent. on the gross earnings of the Bezvada Extension Railway for that half-year.

9. The Company agrees, as soon after the 30th June and 31st December as possible in each year, to render to the Government the accounts of Capital and Revenue expenditure, made up in the same form as those in which the Company's own accounts are prepared, and the separate books of the Company showing the transactions of the Bezvada Extension Railway, together with all vouchers, papers and correspondence, directly belonging thereto, shall be subject to audit and inspection by any officer whom the Government of India may appoint for that purpose, and after three months have elapsed from the date of the certifying by the auditing officer that the accounts are correct, they shall be regarded as final between the Government and the Company, subject to the correction of any error which may be afterwards discovered, and which error shall be rectified in the accounts of the following half-year. Nothing in this paragraph, however, shall be interpreted as meaning that the Government shall have any right to audit or examine the Company's own accounts, the Government agreeing to accept the items of working expenses as set forth in the Company's audited and printed accounts. The Company will also keep all such accounts relating to the State Railway and all such accounts as between the Company and the Secretary of State as the Secretary of State may from time to time require and will keep the accounts relating to the Capital expenditure and the gross receipts of the State Railway separate and distinct from the accounts relating to the Nizam's Guaranteed State Railway. Such accounts will be kept in such form and under such heads or divisions and for such sections of the State Railway and for such periods and with such details and shall be submitted to the Secretary of State at such times as he may from time to time prescribe.

10. The distribution of charges between Capital and Revenue shall be made by the Company in accordance with the principles laid down in clauses 28 and 33 of the agreement, dated 23rd December 1883, between the Government of His Highness the Nizam and the Company.

11. The sum representing the net earnings of the line shall, as soon as they have been ascertained, be paid over to the Government, or into any treasury into which the Government may direct them to be paid.

12. The appointment of the staff employed in working the Extension Railway shall be made by the Company.

13. The telegraphs on the Bezvada Extension Railway shall be worked by the Company on the same terms and conditions as those on which the telegraph is worked on the Company's own line.

14. The number, pay, and constitution of the police force shall form matter of agreement between the Government and the Company, and shall, as far as possible, be placed upon the same or a similar footing to that existing on the Company's line, and the lines of the Great Indian Peninsula and Madras Railways passing through the territories of His Highness the Nizam. The Company will meet seven-tenths of the agreed cost of police, which shall be charged to Abstract E, General Charges, of the amalgamated undertaking, and the Government shall itself pay the remaining three-tenths.

15. All losses arising from accidents, or from loss or damage to goods carried over the amalgamated undertaking (excepting such loss from damage, the making good or the repairs of which would form a charge against maintenance), shall be borne by the Revenue of the amalgamated undertaking, and charged off from half-year to half-year to Abstract G, that is to say, Special and Miscellaneous expenditure.

16. In the event of any further lands being required for purposes of the Bezvada Extension Railway, the Company shall apply to the Government of India for the same, and if satisfied that the acquisition of such land is necessary, the Government of India will, at its own cost, hand over the same to the Company for the purposes of the Bezvada Extension Railway. The land so handed over shall remain the property of the Government.

17. The Agent of the Company in India shall, on the requisition of the Director-General of Railways, issue such free passes over the Bezvada Extension Railway as are in accordance with the rules for the issue of free passes over the Company's lines, which rules are at present the same as those in force on the Indian State Railways.

18. This agreement between the Government and the Company shall be in force till the 1st January 1891, and shall continue in force after that date, but subject to its termination by either party by six months' notice in writing, to be given at the end of any half-year. If the Government or the Company resolves to terminate the agreement on the 1st January 1891, then notice shall be given on or before the 1st July 1890.

19. All communications made to the Company shall be sent to the Agent of the Company in Secunderabad, and all communications from the Company to the Government of India shall be submitted to the Consulting Engineer for Railways, Madras, through the Resident of the Government of India in the Hyderabad State.

20. Should any differences arise between the Government and the Company regarding the construction of the foregoing agreement, the matter in dispute shall be referred to two arbitrators in India, one to be chosen by each party, or in case of difference between them, to an umpire they may select, and the decision given by such arbitrators or umpire shall be binding upon both parties, and such decision may be made a rule in the High Court of Judicature in Bombay.

Submitted to Government with reference to Public Works Department endorsement No. 818 C., dated 13th February 1890 (herewith returned).

Order—dated 15th March 1890, No. 369 R., Public Works.

Ordered to be forwarded to the Government of India with reference to its letter No. 0178 R.T., dated 1st February 1890.

(Here enter No. 370 R., dated 15th March 1890.)

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,  
Joint Secy. to Govt., P.W.D.,  
Railway Branch.

Endorsement—dated 15th March 1890, No. 370 R., Public Works.

Forwarded.

(By Order.)

(Signed) C. J. SMITH, Colonel, R.E.,  
Joint Secy. to Govt., P.W.D.,  
Railway Branch.

Read also the following paper:—

From Major M. C. BRACKENBURY, R.E., Under-Secretary to the Government of India, Public Works Department (Railway Traffic), to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Simla, 14th April 1890, No. 53 R.T.

With reference to your No. 370 R., dated the 15th March 1890, forwarding a letter, No. 2232 W., dated the 27th November 1889, from the Agent and Manager, His Highness the Nizam's Guaranteed State Railways Company, containing revised terms for the working of the Bezvada Extension Railway by the former line, I am directed to say that the Government of India is pleased to agree to the terms as contained in the Agent's printed letter, No. 2232 W., dated 27th November 1889.

ORDER—dated 28th April 1890, No. 576 R., Public Works.

Communicated to the Consulting Engineer for Railways with reference to his endorsements as under—

No. 518, dated 19th December 1889.

„ 164 „ 7th March 1890.

(True Extract.)

Major, R.E.,  
Under-Secy. to Govt., P.W.D.,  
Railway Branch.

To the Consulting Engineer for Railways.

„ Judicial Department.

„ Examiner, Public Works Accounts, Hyderabad.

Exd. J. Moses.

Spare Copies



RAILWAY.  
Govt. of {1890} Madras.  
PUBLIC WORKS.

Dated April, 28th.

Recd.

Encl.

G.O., 28th Apr. 1890, No. 576 R.

APRIL.

Bezvada Extension Railway

Letter from the Government of India agreeing to the terms of the Agent and Manager, His Highness the Nizam's State Railways Company, for the working of the —, communicated to the Consulting Engineer for Railways.



H. H. THE NIZAM'S GUARANTEED STATE RYS. CO.,  
LIMITED.

10078/8W

Secunderabad (Deccan), 8<sup>th</sup> October 1888.

From

The Acting Agent,

To

Colonel C. J. Smith R.E.

Consulting Engt. for Railways.

Madras.

Enclosures

Reference.

Sir,

With reference to my letter N° 1420 H, of the 9<sup>th</sup> August in reply to your N° 1665 of the 6<sup>th</sup>, I have the honor to state that I have now received instructions from the Board of Directors of this Railway that they will accept the arrangement proposed in para page 5 of the order of the Government of Madras 459 R dated 4<sup>th</sup> June 1888 "that this Company" work the British section upon the same "terms as the East Indian Railway Coy. work the Tarakeswar line viz

- (1) Maintenance to be a separate charge.
- (2) Other working charges, exclusive of use of Rolling stock, to be the same percentage of half yearly gross earnings as it costs to work the company's own line.
- (3) 5% of gross earnings to be paid to this company for the hire of Rolling stock.
- (4) One fifth of the net earnings remaining to be paid to this company.

This



This arrangement to be in force for 2 years from the date at which the Company takes charge of the line.

I am instructed to say that the Company ask to have the one-fifth of the net earnings remaining, because, under the conditions agreed to, they may run some risk of loss.

The Board also point out that the Madras-Semderabad line contributes a much larger proportion of this Company's gross earnings than the extensions, and costs little or nothing more to work. The British section will probably contribute in the same ratio as our extensions. As the percentage of working expenses necessarily diminishes when the gross earnings are large, it follows that in the arrangement proposed, the Government of India will get the benefit of the reductions in working expenses arising from the well developed traffic of our old line. Under these circumstances, it appears to the Board that the Tara Keshwar terms should be granted in full as being nothing more than equitable.

Will you be so good as to let me know whether you wish me to prepare a working agreement on the basis of these terms. It

seems

28835  
seems to me that the only difference between these & what you suggest is the one-fifth of the net earnings going to the Company, and you will see from the foregoing remarks that it is only fair that the Company should have this.

I have the honor to be,  
Sir,  
Your most obedt. Servt.,  
P. H. Selwyn  
Acting Agent.



|          |     |
|----------|-----|
| REGISTER |     |
| No.      | 544 |
| FILE     |     |
| No.      | 215 |

10/21/10  
10740/88

Form No. 1.

PUBLIC WORKS DEPARTMENT.

OFFICE OF CONSULTING ENGINEER FOR RAILWAYS,  
Madras, 22<sup>nd</sup> October 1888.

Letter from the Acting Agent  
His Highness the Vizian's Guaranteed  
State Railway Company Ltd. to 1818 to  
dated 8<sup>th</sup> October 1888.

No. 345

SUBMITTED \_\_\_\_\_ to \_\_\_\_\_ Government.

2. The Board of Directors  
of the Vizian's Guaranteed  
State Railway Company  
are willing to accept the  
terms specified in para  
4 of the Consulting Engineer's  
Endorsement to 144. a dated  
21<sup>st</sup> June 1888 and press for  
the  $\frac{1}{5}$  of the net profits,  
which it was suggested  
in the endorsement they  
might be willing to forego.



3. In para 3 of Government of India letter no 455 R.C. Dated 23<sup>rd</sup> July 1888, it is stated that the terms proposed in para 7 of the Consulting Engineer's Endorsement above referred to are preferred, which leaves somewhat open to question the views of the Government of India upon the point whether  $\frac{1}{5}$  share of the net profits shall be conceded or not.

4. As the matter is not very pressing, I recommend that the views of the Government of India upon this point be sought.

C. J. Smith, Colonel R.E.

Comd. Surg. for Mys.



*2-9-88, 10/10/88*  
 No. 883 R of 29<sup>th</sup> October 1888

*810*  
 Ordered that the following letter be despatched to the Govt. of India.

*11/10/88*  
 No. 884 R of 29<sup>th</sup> Oct 88

*(Here enter the letter)*

*CLL*

*26.10.88*

*R*

*G.O. 459 to R of 4.6.88  
 630 R of 3.8.88*

From

THE CONSULTING ENGINEER

FOR RAILWAYS,

Madras,

No. 345

Dated 22<sup>nd</sup>Received 20<sup>th</sup>

October 1888.

No. of ENCLOSURES. /

*B*  
 No. 883 R of 29<sup>th</sup> October 1888.  
 Subject.

Agreement for working the  
Bengal Extension Railway. —  
 Views of the Government of India solicited whether  $\frac{1}{5}$  <sup>th</sup> share of the net profits shall be conceded or not to H. H. the Nizam's Guaranteed State Ry. Company (Ltd) in the terms of the proposed: —

With Order

No. 884 R

Government of Madras.

PUBLIC WORKS DEPARTMENT.

To

*27*  
 The Secy. to the Govt. of India  
 Public Works Department  
 Simla

*11*  
 29<sup>th</sup> October 1888.

SIR,

*CLL*  
*22.10.88*  
*27.10.88*  
 With reference to your letter No. 755 P.C., dated 23<sup>rd</sup> July 1888, I am directed to forward a copy of the Proceedings of this Government No. 883 R, dated 29<sup>th</sup> October 1888, and to state that the Agent of H. H. the Nizam's Guaranteed State Railway has been authorised by his Board of Directors to accept the terms of the Agreement for working the line between Bengal and H. H. the Nizam's dominions as proposed by Government (see G.O. No. 630 R, dated 3<sup>rd</sup> August 1888).

*x*  
 Copy attached.



(1) Maintenance to be a separate charge.

(2) Other working charges exclusive of wear of Rolling Stock to be the same percentage of half yearly gross earnings as it costs to work the Company's own line.

(3) 5% of gross earnings to be paid to the Company for the hire of rolling stock.

(4) One-fifth of the net earnings remaining to be paid to the Company.

16

No. 263 R 29 Dec 88  
264

2. The Agent urges that the Company should be allowed to retain one-fifth share of the net earnings as in the case of the Tarakeswar Railway, and I am to enquire whether the Government of India are willing to make this concession.

Info despatched to India  
29/10/88

26. 10. 88  
R

Ms 26 x 88  
R 29 x 88  
28/11

27/11

H. H. THE NIZAM'S GUARANTEED STATE RYS. CO.  
LIMITED.



107995M

Secunderabad (Deccan), 5<sup>th</sup> November 1888.

From

To

The Deputy Agent  
The Consulting Engineer  
for Railways  
Madras

Enclosures

Reference.

Sir,

In inviting attention to this office letter No. 1818 W dated 5<sup>th</sup> October last, regarding the terms on which this Company is to work the Bezawada Extension of this line, I have the honor to solicit that you will kindly furnish me with an early reply on the subject.

I have the honor to be  
Sir

Your most obedt. servant.

V. J. De la Cruz

for Deputy Agent  
J. L.

Submitted to Govt  
10/11/88

11/11/88



|          |  |
|----------|--|
| REGISTER |  |
| No. 384  |  |
| FILE     |  |
| No.      |  |

Form No. 1.

PUBLIC WORKS DEPARTMENT.

OFFICE OF CONSULTING ENGINEER FOR RAILWAYS,

Madras, 8<sup>th</sup> November 1888.

Letter from the Agent and Chief Engineer  
 & & the Vizian's Guaranteed State Ry.  
 to Ld. No. 1995 of 5<sup>th</sup> November 1888.

No. 384

SUBMITTED

For the orders of Government,

in continuation of this office  
 endorsement No. 345 dated  
 22<sup>nd</sup> October 1888.

Sidney Smith

Major R.E.

For Genl. Engr for Ry.



No. 958 R of 12<sup>th</sup> Nov/88.

Form No. 3.

(B)

Ordered to be  
forwarded to the Govt.  
of India in continuation  
of letter No. 884 R of 29<sup>th</sup>

October 1888. No. 959 R of 12<sup>th</sup> Nov/88.  
Forwarded.

De 11/11.

C.S.

8.11.11

R

853 R 7 29/10/88  
884

459 R 7 4/6/88  
460

From

THE CONSULTING ENGINEER

FOR RAILWAYS,

Madras,

No. 384

Dated 8<sup>th</sup>

Received

December 1888.

No. of ENCLOSURES.

B. No. 958-57 R of 12<sup>th</sup> Nov/88.

Subject.

Submitting for orders, letter  
from the Agent & Chief Engr.  
& the Nizam's S&D Co.,  
asking for an early reply  
as to terms on which that  
Company is to work the Bej-  
wada Extension Railway.

With order

All communications  
should be addressed to  
the Secretary.

No. 1119 R. C.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY Construction.

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

Calcutta, the 28<sup>th</sup> November 1888.

Sir,

I am directed to acknow-  
ledge the receipt of your letter  
No. 884 R, dated the 29<sup>th</sup> October  
1888, and in reply to paragraph  
2 thereof to say that the Govern-  
ment of India is prepared to exe-  
cute a Working Agreement drawn  
up with the Nizam's Guaranteed  
Railway Company on the following  
terms:-

(1) Maintenance to be a separate  
charge borne by Government.

(2)

favourable



(2) other working charges, exclusive of the use of Rolling Stock, to be the same percentage of half yearly gross earnings as it costs to work the Company's own line.

(3) 5 per cent of gross earnings to be paid to the Company for the hire of Rolling Stock.

(4) The Agreement to be subject to revision at the end of two years, six months' notice on either side being given if it is then desired to determine the Agreement.

2. As regards the Agent's proposal that the Company should retain  $\frac{1}{5}$ th share of the net earnings, I am to say that the Government of India is not prepared to make this concession. Admitting that the

the traffic on the British section will not at first be as large as it is on the other portions of the Company's system, the Government of India considers that the advantage accruing to the Extension on this account is amply counterbalanced by the advantage gained by the Company in securing 5 per cent for the use of its rolling stock, and in enabling the charges for general establishment to be distributed over a larger length of line without increasing the expenditure.

3. As the Agent of the Company in a previous letter quotes the Agreement between the Eastern Bengal and the Bengal Central Railways, I am to say that this Agreement has been terminated on the 31<sup>st</sup> December next because it is not considered to be sufficiently favourable



12462  
favourable to the undertaking  
looked by the Eastern Bengal  
Railway -

Have the honour to be,

Sir,

Your most obedt. servt.

~~W. Mackenzie~~

Major R. E.

Under Secretary -

Documents accompany.

Nil

958R

R

Trust Board is empowered to stop any person so smoking or put out such fire or naked lights, and all persons so smoking or lighting, or using such fire or naked lights, shall be liable to a fine not exceeding Rs. 100 for each offence.

13. The Pier ladders will be available for the use of passengers and others, weather permitting, from 5 A.M. to 9 P.M.

14. All boats and other craft must lie clear of the Pier ladders, under a penalty upon conviction before a Magistrate not exceeding Rs. 100 for each

rigidly enforced, under a penalty upon conviction before a Magistrate not exceeding Rs. 100 for each offence.

Ootacamund, June 22, 1888.

No. 50.—The following minutes of the Proceedings of a Meeting of the Trustees of the Madras Harbour, held at the Board's Office on Tuesday the 12th day of June 1888, are published:—

49



1058R

PUBLIC WORKS DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Under date the 9<sup>th</sup> Dec 88.

Under date the

again

Read the following:—

Progs. of the Madras } H.C. No. 883-4 R of 29<sup>th</sup> Oct 88  
Govt. P. W. Deptt. }

— 958R of 12<sup>th</sup> Nov 88  
959

Read also the following:—

Letter from the Govt. } H.C. No. 1119-R.C. of 28<sup>th</sup> Nov 88  
of Indis P.W. Deptt. }

Communicated  
to the Consulting Engineer for  
Railways with reference  
to his endorsements Nos.  
345 and 384 of 22<sup>nd</sup> Oct.  
and 8<sup>th</sup> November 1888.

E.R. in manuscript

To  
The Comptroller Genl.  
for P.W. Deptt.

Info copy despatched to E.R. 8/12/88.

C.S.  
3.12.88

R



No. 2311 W

Secunderabad (Deccan), 21<sup>st</sup> December 1888.

From

To

C.S.D.  
21.12.88

Enclosures

Reference.

The Agent & Engineer

The Consulting Engineer  
for Railways

Madras.

Sir,

With reference to your letter No 2022 dated 8<sup>th</sup> instant giving cover to Govt of India No 7119 R.C. dated 28<sup>th</sup> ultims. concerning the working of the Bezwada Railway by this Company, I have the honor to transmit copy of a telegram which I have received from the Board of Directors to the following effect: -

"Board of Directors of the Nizam's Ry.  
"in interest Govt. of the Nizam  
"and Company cannot accept the  
"risk without compensatory fifth  
"net revenue earnings."

I have the honor to request early instructions regarding the intention of the Govt. of India as the whole line to Bezwada will be ready to open to public traffic on or about

No. 10585 C of 7<sup>th</sup> Dec 1888.





Form No. 1.

PUBLIC WORKS DEPARTMENT.

OFFICE OF CONSULTING ENGINEER FOR RAILWAYS,

Madras, 21<sup>st</sup> December 1888.

Letter from the Agent and Chief  
Engineer, His Highness the Maharaja's  
Guaranteed State Railways Company  
Limited, No. 2311.W. dated 21<sup>st</sup> December 1888.  
No. 447.H.

SUBMITTED \_\_\_\_\_ to \_\_\_\_\_ Government, with

reference to Proceedings  
No. 1058 R. dated 7<sup>th</sup> December  
1888.

V. A. Sanyal Admission  
For Cor. Eng. for Ry.

about the 15<sup>th</sup> January next.

I have the honor to be,  
Sir,

Your most obedt Servt

M. J. Sanyal

Agent and Chief Engineer

Jd



From

THE CONSULTING ENGINEER

FOR RAILWAYS,

Madras.

No. 447

Dated

21<sup>st</sup>

December 1888.

Received

8/1/89

No. of ENCLOSURES. /

Subject.

Submitting letter from the  
Agent and Chief Engineer  
N. N. the Vizian's Sd Ry Co  
stating that his Board of  
Directors do not accept the  
risk of working the Bezwada  
Extension Railway without  
one fifth net revenue earnings.

90 4.6.88 N. 459 R.

" 12.11.88 N. 958 R.

" 7.12.88 N. 1058 R. Draft

Mch 120

B

No. 1103 R of 21<sup>st</sup> December 1888.

PUBLIC WORKS DEPARTMENT.

## PROCEEDINGS OF THE MADRAS GOVERNMENT.

Under date the

again  
Read the following

Proc. of the Madras Govt. } (N. N. N. 1058 R of 7<sup>th</sup> Dec 88)  
P. W. Department

Read also the following:-

Endorsement from the } (N. N. N. 447 R of 21<sup>st</sup> Dec 88)  
Conf. of foot Gs.

Ordered that  
the following telegram  
will be despatched to  
the Government of India

"Gent 1119 November 28<sup>th</sup>  
Vizian's Railway Board  
wire cannot accept risk  
without fifth net earn-  
-ings & please wire in-  
-structions Bezwada before  
Sunday case Furnivall &

Del. despts from Secunderabad  
21-12-88.

Vij.

31/12. D.R.



B

No.  $\frac{1103}{A}$  R of 21<sup>st</sup> Dec 88

recd. 8.1.89  
29.1.89



F C  
INDIAN TELEGRAPH. Local No. 355

To (Station) *Bezawada* From (Station) *Calcutta*

Words 40.5 Day 22 16.4 Night 11

To (Person) *Worke* From (Person) *Hocks*

*gradua*

*C. H. Turminal*

*Espe*

*C. 13*

*21*

*to give*

*Shore Surplus Pro-*

*pts Bezawada Extension*

*Please wire early deci-*

*sion to enable Govern-*

*ment to consider other*

*arrangements for working*

*Bezawarra*

RECD. FROM L. N. SENT TO L. N.  
At Hrs. Mts. By At Hrs. Mts. By

Date BEZWARRAH-22-12-88

Tele. Master.



PUBLIC WORKS DEPARTMENT.

OFFICE OF CONSULTING ENGINEER FOR RAILWAYS,

Madras, 10<sup>th</sup> January 1889.

## RATES OF CHARGE FOR INLAND TELEGRAMS.

The address (including name of Sender and name and residence of Addressee) is transmitted free.

|                  | First 8 words. | Each additional word. |                                                         |
|------------------|----------------|-----------------------|---------------------------------------------------------|
| Deferred Message | ... 8 Annas    | ... 1 Anna.           | A group of 3, or less figures, is reckoned as one word. |
| Ordinary "       | ... 1 Rupee    | ... 2 Annas.          |                                                         |
| Urgent "         | ... 2 Rupees   | ... 4 Annas.          |                                                         |

No charge for delivery within a distance of 5 miles.

Copy of this telegram has been  
 given with 20 letters. but no  
 receipt of this a copy must be  
 sent officially with letters to  
 Mr. Funnell with reference to his  
 2511 G - 2, Dec. 88.

Mr. Funnell with 1/11 further 9 pm  
 to Madras.

Copy forwarded  
 to the Comptroller for  
 Rys. with reference  
 to his endorsement  
 No. 447 A of 21-12-88

recd. 8.1.89  
 29.1.89

recd. 8.1.89  
 29.1.89

Telegram from the Agent and Chief Engineer,  
 K. K. the Vizag's Guvankeed State Railways,  
 Co. Ltd. dated the 9<sup>th</sup> January 1889

No. 17

SUBMITTED

to

Government for

transmission to the Government  
 of India, with reference  
 to their telegram dated the  
 22<sup>nd</sup> December 1888. (No. 5261 C,  
 dated 28<sup>th</sup> idem.)

Siddingsmith

Major R.C.

For Genl Engr: For Railways



From

THE CONSULTING ENGINEER

FOR RAILWAYS,

Madras.

No. 17

Dated 10<sup>th</sup>Received 10<sup>th</sup>

January 1889.

No. of ENCLOSURES.

Subject.

Telegram from the Agent & Chief Engineer, K. K. the Vizam's Guaranteed State Railways Co Ltd, stating that the Vizam's Board has withdrawn their objection and accept working the Bezvada Extension Railway without  $\frac{1}{8}$  <sup>th</sup> nett profits.

B

No. 20 R of 11 - Jan'y 1889.

With Order

No. 41 R.

PUBLIC WORKS DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

15<sup>th</sup> Jan'y 1889F C<sup>2</sup>

Class.

INDIAN TELEGRAPH.

Local No.

04519

To (Station)

Triplicane

From (Station)

Calcutta

Words.

Day.

Hour.

Minute.

OFFICIAL INSTRUCTION.

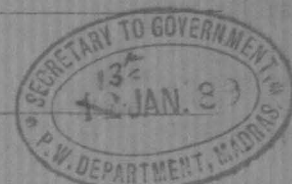
To (Person)

Works

From (Person)

Works

To R



1

2

3

4

5

6

7

8

9

10

11

12

13

RECD. FROM

L. N.

SENT TO

L. N.

AT

Hrs.

Mts., By

AT

Hrs.

Mts., By

Date

MADRAS 12-1-89

Telegraph Master.

14/1 D. A.

By Agent &amp; Manager

Ordered that the following telegram be despatched to the Govt of India

Your telegram C 138.

Vizam's Railway Board withdraw objection and will accept working Bezvada extension without one fifth nett profits. Agent asks if he or Government will prepare working agreement.

Via  
11/1

Sel. despts  
11/1

KW 11/189  
DS 14-1-89



From

THE CONSULTING

F

*Am. 14.2. Stok. 11. Jan 1899*



B

*N. 41 R.*

PUBLIC WORKS DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Under date the *15<sup>th</sup> Jan 1899*  
again  
Read the following:—

*Progs. of the Madras*  
*Gort. P. W. Department* } *N. 1103 R 27<sup>th</sup> Dec 88*

*P. W. D. Endorsement* — *5261 C 28<sup>th</sup> Dec 88*

*Progs. of the Madras*  
*Gort. P. W. Department* } *20 R 11 Jan 89*

Read also the following.

*Telegram from the*  
*Gort. of India P. W. D.* } *N. 1103 C 9 of 12 Jan 89*

Communicated to  
the Consulting Engineer for  
Railways with reference to  
his memorandum no. 17 of  
10 Jan 1889.

*To*  
*Mr. Conington for Rys.*  
*Info copy despatch 15/1/89.*

*Ref.*  
*14/1 D.R.*

With Do.

*HW.*  
*14-1-89*

*Agent & Manager*



No. 575W

From

Manager  
THE AGENT AND ~~CHIEF ENGINEER~~

H. H. the Nizam's Guaranteed State Railways Co., "Ld."

To

The Consulting Engineer  
for Railways  
Madras.

Dated. Secunderabad 14<sup>th</sup> March 1889.

Enclosure

REFERENCE.

Sir,

I have the honor to invite attention to your endorsement No. 77 dated 16<sup>th</sup> January last, forwarding proceedings of the Government of Madras in the P. W. Department, in which was embodied a telegram from the Government of India regarding preparation of the working agreement of the Bezvada extension Railway, and to request that the drawing up of the agreement may be expedited.

I have the honor to be

Sir,

Your most obedt. Servant

J. P. C. L. S.

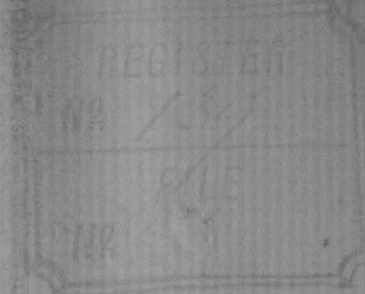
Agent & Manager

B.  
No. 41 R 8 15 Jan'y 1889

Handwritten notes and signatures at the bottom left of the page, including "H. H. 14.1.89" and "15.1.89".

Handwritten note at the bottom center of the page.





Form No. 1.

PUBLIC WORKS DEPARTMENT.

OFFICE OF CONSULTING ENGINEER FOR RAILWAYS,

Madras, 16<sup>th</sup> March 1889

*Print*  
Letter from the Agent and Manager,  
H. H. the Nizam's Guaranteed State  
Railways Company, No. 575 W, dated  
14<sup>th</sup> March 1889.

*8.34*  
No. 136

*8.34*  
2 SUBMITTED

to

Government

*Print*  
with reference to Government  
Order No. 41 R, dated 15<sup>th</sup>  
January 1889.

*8.34*  
Bideny Smith

Major R.E.

for ensg: Engr for Engrs

*8.34*  
H.S.



F C

Class.

INDIAN TELEGRAPH

Local No.

03236

To (Station)

MADRAS

From (Station)

Secunderabad

Words.

Day.

Hour.

Minute.

OFFICIAL INSTRUCTION.

41/8. 9 18 20

Def. L.

To (Person)

Consulting  
Engineer for  
Railways

From (Person)

W. A.

Furnivall

your No 2128

of 28<sup>th</sup> DecemberBezpada Railway Working  
Rizams Board withdrawal

objection and will

accept working without

on a fifth net

profits shall I

or will government

prepare working at same

RECD. FROM

L. N.

SENT TO

L. N.

AT

Hrs.

Mts. By

AT

Hrs.

Mts. By

Date

MADRAS 9-1-89

Telegraph Master.



|          |   |
|----------|---|
| REGISTER |   |
| No.      | 8 |
| FILE     |   |
| No.      |   |

18/11/18

to be used  
 to be used  
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 to be used

to be used  
 to be used  
 to be used  
 to be used  
 to be used

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 to be used



B. No. 318 R 22 March 1889.

Ordered to be

forwarded to the Govt.  
of India with reference  
to their telegram dated  
12<sup>th</sup> January 1889. N. C. 9.

A.C. No. 319 R 22 March 1889.  
Forwarded,

C.S.S.

10. 3. 7

R.

N. 459. 60 L of 4. 6. 88

" 630 L of 3. 8. 88

" 883. 4 L of 29. 10. 88

" 958. 59 L of 2. 11. 88

" 1058 L of 7. 12. 88

" 1103 R of 24. 12. 88

" 524 C of 28. 12. 88

" 20 L of 11. 1. 89

" 41 L of 15. 1. 89.

N. 9. 11. 89  
L. 21. 11. 89  
L. 14

From

THE CONSULTING ENGINEER

FOR RAILWAYS,

Madras,

No. 136

Dated 18<sup>th</sup> March 1889.  
Received 18<sup>th</sup>

No. of ENCLOSURES.

Subject.

Working Agreement of the  
Bezavada Extension Railway

Submitting letter from the  
Agent and Manager, H. H.  
the Nizam's Rys requesting  
to expedite the drawing up  
of the ———

B

No. 318 - 319 R 22-3-9.

No. 339 R. 7.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY Traffic.

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

Simla, the 19<sup>th</sup> July 1889.  
Despatched 29<sup>th</sup>

Sir,

With reference to your docket No. 319 R  
dated the 22<sup>nd</sup> March 1889, I am directed  
to forward for the approval of His Highness  
the Nizam's Guaranteed State Railway Company  
copy of an Agreement for working the Bezavada  
Extension State Railway by His Highness  
the Nizam's Guaranteed State Railway Company.

I have the honour to be,

Sir,  
Your most obedient servant

M. S. S. S. S.

Major R. C.

Under Secretary

Documents accompanying  
Copy of Agreement referred to



P. W. Lins. 7681

Ry<sup>17</sup> 8-89

No 41 R 27 15-1-9

" 20 R " 11-1-9

"  $\frac{1102}{11}$  R " 21-12-9

No 660 R 27 13- June 1899

661

" 318 R-19 R " 22-3-9



1889.

P. W. DEPARTMENT.

Current No. 121

From

ENCLOS.—

No.

Dated

Received 8 Jan 1889

SUBJECT.

DISPOSAL.

No. 52610 Dated 28 Dec 1888  
A

77  
AGREEMENT

FOR THE

WORKING BY HIS HIGHNESS THE NIZAM'S GUARANTEED STATE RAILWAYS COMPANY OF THE BEZVADA EXTENSION STATE RAILWAY.

THIS INDENTURE made the \_\_\_\_\_ day of \_\_\_\_\_ 18 \_\_\_\_\_ between THE SECRETARY OF STATE FOR INDIA IN COUNCIL (hereinafter called "the Secretary of State") of the one part and HIS HIGHNESS THE NIZAM'S GUARANTEED STATE RAILWAYS COMPANY Limited a Joint Stock Company with limited liability registered under the English Companies Acts 1862 to \_\_\_\_\_ and having its Registered Office in London (hereinafter called the Company) of the other part:—

WHEREAS in Clause 3 (f) of the Company's memorandum of association the objects for which the Company was established are stated to be amongst others the making and carrying into effect agreements or arrangements for the working management maintenance or use by the Company of the railways works or property of other parties and granting to other parties the right to work manage maintain or use any railways works or property of the Company or for joint working management or maintenance and user of any of such railways works or property and for the interchange and transmission of traffic and the division and allocation of traffic receipts and working expenses.

AND WHEREAS the Secretary of State has constructed on the British territory which lies between the frontier of His Highness the Nizam's State and Bezvada a town in the Madras Presidency at the cost of the revenues of India a line of railway known as the Bezvada Extension State Railway being of the same gauge and in prolongation of the Company's undertaking.



AND WHEREAS from and after the 4th February 1889 the date of opening of the said Bezvada Extension State Railway the said railway with all its plant and machinery and serviceable working stores has been and now is in the hands of the Company and is now being worked by them.

AND WHEREAS the Secretary of State and the Company have agreed that the Company shall maintain and work the said Bezvada Extension State Railway which has recently been constructed by the Secretary of State upon the terms and conditions hereinafter contained.

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

1. "The Nizam's Guaranteed State Railway" means the railway worked by the Company on or before the 4th of February 1889 and any alterations and additions that may from time to time during the continuance of this Contract be made in or to the said railway by or with the sanction of the Government of His Highness the Nizam but not so as to include any railways or works comprised in "The State Railway" as hereinafter defined.

2. "The State Railway" means the Bezvada Extension State Railway that is to say the lines of Railway extending from His Highness the Nizam's Frontier on the Nizam's Guaranteed State Railway to Bezvada with any improvements alterations and additions of whatever description that may from time to time be made in or to the said Railway by or with the sanction of the Secretary of State but with the exception of the telegraphs and telegraphic appliances used or to be used thereon.

3. "The Amalgamated undertaking" means "the Nizam's Guaranteed State Railway" and "the State Railway" (as defined above in sections 1 and 2 respectively) taken as a whole the intention being that these two railways under the

terms hereinafter contained in this Contract should be worked together as if the two constituted but a single railway.

4. "Gross receipts" mean and include when not otherwise stated all receipts from coaching and goods traffic and from telegraphs all sums received as rents and all other receipts usually treated as Railway revenue.

5. This Agreement shall be taken to have commenced and as having come into force upon the 4th day of February 1889 and shall be subject to revision from time to time and shall be and remain in force until the 31st day of December 1890 and shall be terminable then or on the 1st January or the 1st July in any year thereafter on six months' previous notice in writing being given by either party to this Agreement to the other but without prejudice to the rights of either party against the other in respect of any covenant herein contained which may have been previously broken.

6. An inventory of the State Railway plant and machinery handed over as aforesaid as on the 4th of February 1889 shall be made and signed by or on behalf of the Secretary of State and the Company and the value of the same at cost price as shown in the accounts of the Government (including the value as certified by the Secretary of State of the land occupied or used for the purposes of the Railway as well as such additions as are properly chargeable on account of exchange in respect of payments made in England) shall be entered in the Capital Account of the State Railway as hereinafter provided.

7. The Company shall make up and deliver to the Secretary of State an account of all such stores delivered to the Company on the 4th of February 1889 and of the value of such stores the value thereof (except in those cases if any in which a different value is agreed upon by the Secretary of State and the Company) shall be taken as entered in the

189

*This agreement between Govt. & the  
Coy shall be in force till 1<sup>st</sup> Jan 91, &  
shall continue in force after that  
date, but subject to its termination  
by either party by six months notice in  
writing to be given at the end of any 12 years  
If Govt. or the Coy resolve to terminate the agreement  
on 1<sup>st</sup> Jan 91 then notice shall be given on or before the  
1<sup>st</sup> July 1890*



accounts of the Government with such additions in the case of all stores paid for in England as according to the average rate of exchange during the half-year in which the several payments were entered in the accounts are properly chargeable in respect of payments in England to the like amounts made on Indian account.

8. During the continuance of this Contract the Company shall maintain the State Railway and keep the same supplied with rolling-stock plant and machinery as if it were part of the Nizam's Guaranteed State Railway and shall do all in their power to develop the traffic on the State Railway and shall manage use and work the State Railway and shall convey traffic thereon. In respect of the supervision and control of the Company by the Secretary of State over matters connected with the State Railway and in all respect not otherwise provided for by this Contract the Secretary of State and the Company respectively shall and may with reference to the respective matters aforesaid have execute enjoy put in force and be subject to the like rights powers authorities privileges provisions regulations duties and obligations as are by the Principal Contract dated the 27th day of December 1883 in respect of such matters respectively given or reserved to or imposed upon the Government of His Highness the Nizam and the Company respectively provided always that nothing in this Contract contained shall operate so that the said State Railway shall form part of the Nizam's Guaranteed State Railway.

9. In all matters relating to the State Railway and not herein specially provided for the Company shall be subject to the supervision and control of the Secretary of State.

10. As soon as practicable a joint inspection shall be made on the part of the Secretary of State and the Company and the works and expenditure that may be

*8. The Company shall keep the extension railway equipped and maintain stock of all description*

considered necessary to complete the State Railway having regard to the traffic to be expected thereon shall be determined and entered in detail in a schedule of works the cost of which is considered as chargeable to Capital as properly appertaining to the original equipment of the line.

11. The Secretary of State shall pay the Company at such times and in such amount as may be agreed upon such sum or sums as may be necessary to carry out such of these works referred to in the preceding section as may be approved by the Secretary of State in order to place the State Railway in such good and sufficient working order and condition as the Secretary of State may consider to be expedient having regard to the traffic to be expected thereon. The works necessary for the above mentioned purpose shall be proceeded with and continued with reasonable expedition until the same are complete and the Company shall expend and apply all moneys received by them under this section in or towards placing the State Railway in such good and sufficient working order as aforesaid to the satisfaction of the Secretary of State as far as such moneys shall suffice.

12. On the maintenance of Way and Works appertaining to the State Railway being undertaken by the Company no extraordinary expenditure on repairs or minor works shall be incurred without the consent of the Secretary of State. The Secretary of State shall be the sole judge as to the standard of maintenance to be required and the Revenue accounts provided for in sections 38 and 39 following shall not be closed and made up until such time as the maintenance is certified to by the Inspecting Officer appointed under the Indian Railway Act of 1883 or any subsisting statutory modification thereof as having been brought up to the standard required and the whole cost of the same debitable to Revenue has been duly charged off.



13. The Company shall be responsible for all accidents and for loss and damage of every kind (including claims for lost or damaged goods) that shall occur upon the State Railway except accidents loss or damage caused by the failure of the permanent-way or works arising from defective original construction or caused by any extraordinary casualty not due to defects in the maintenance or working of the said State Railway by the Company. The Secretary of State shall be responsible for any accident or damage that the Company could not have prevented which may result from any such failure of the permanent-way or works arising from defective original construction. Should any of the permanent works such as bridges station buildings or other works upon the State Railway fail from causes beyond the control of the Company or should any extraordinary casualty occur the case must be regarded as exceptional and the cost of construction or replacement must be charged to Capital or Revenue or divided between them as may be deemed by the Secretary of State proper according to the circumstances of the case.

14. All subsequent works and alterations chargeable to Capital under the rules for the time being in force on State Railways and which may from time to time be agreed upon as necessary for the efficient working of the State Railway shall also be carried out by the Company at the expense of the Secretary of State.

15. The Secretary of State may from time to time by notice in writing require the Company to carry out any alteration or improvement in the State Railway or any addition thereto that may in his opinion be necessary for the safety of passengers or for the safety of the public or for the effectual working of the State Railway. Such notice shall specify the alteration improvement or addition required and shall also in general terms describe the works to be executed for the purpose of carrying out such alteration

16/ All losses arising from accidents, or from loss or damage to goods carried over the amalgamated undertaking (excepting such loss from damage to the material good or the repair of which would form a charge against maintenance) shall be borne by the revenue of the amalgamated undertaking, & charged off from 1/2 year to 1/2 year. The abstract of that is to be in "Special and miscellaneous expenditure".

Should it appear to the Board, to the Company, or to the inspecting officer that any new works, or any alterations to station buildings, plant, or machinery, are necessary which would constitute a capital charge, then the Coy. shall submit an estimate for the carrying out of the same to the Govt. for its sanction. When sanctioned these works shall be carried out by the Coy. to the entire satisfaction of the Govt. who will provide funds for the same.

improvement or addition. On receiving any such notice the Company shall with all reasonable speed commence and proceed to execute the works described therein. If in any case the Company shall for a period of three months after receipt of such notice neglect to proceed with the proposed works or fail to complete the same to the satisfaction of the Secretary of State the Secretary of State may enter on the State Railway and execute the said works.

16. Any moneys required by the Company for any purpose properly chargeable to capital account in connection with the State Railway and sanctioned under sections 11, 13 or 14 or required by the Secretary of State under section 15 shall be provided by the Secretary of State according to such arrangements as shall from time to time be made between the Secretary of State and the Company. The Secretary of State will also provide for the Company any land that may at any time be required for the State Railway. The incidence of the cost of all works to be constructed shall be agreed upon before the work is commenced and Government will then decide the sum to be provided from the annual Budget.

17. For purposes in connection with the State Railway the Company shall not acquire either absolutely or for any limited estate any land situate in British territory or in the dominions of any allied tributary or foreign State or any rights or easements in or over or in respect of any land so situate. The expression "land" includes as regards the operation of this clause buildings lands and all other hereditaments of whatever description. This section does not apply to any land of which possession may be given to the Company by the Secretary of State.

18. If in the opinion of the Secretary of State any land for the time being in the possession of the State Railway shall not be required for the purposes of the

16/ In the event of any further land being required for the purposes of the State Railway, the Govt. of India will, at its own cost, provide the same to the Coy. for the purposes of the Bengal & Assam Railway.

16/ The land so provided shall remain the property of the Govt.



amalgamated undertaking the Secretary of State shall certify such opinion to the Company. Upon receipt of the said certificate or so soon thereafter as may be the Company shall state in writing whether they acquiesce in the opinion of the Secretary of State or whether they object thereto and if so the grounds of their objection. If no objection is stated by the Company or if the grounds of their objection if any are not in the opinion of the Secretary of State sufficient the Company shall upon the requisition of the Secretary of State go out of possession of the land in question and the Secretary of State shall be exclusively entitled to possession thereof.

19. During the continuance of this contract the Company shall have entire control of the traffic working of the State Railway shall supply all staff required for the supervision and working including that for audit and accounts and shall supply all locomotives and other rolling-stock fuel and working stores required for the efficient working of the State Railway.

20. The Company shall keep the State Railway together with the plant and machinery in good repair and good working condition to the satisfaction of the Secretary of State. If the Company shall fail for the space of one calendar month to comply with any requirement in writing of the Secretary of State in regard to the matters aforesaid or any of them the Secretary of State may enter on the State Railway and execute at the cost of the Secretary of State all such repairs to the way and works plant and machinery as may in his opinion be required for the proper working of the State Railway.

22. The Company shall cause to be run on the State Railway so many trains at such times at such rates of speed between such places and with such conveniences and accommodations as the Secretary of State shall from time to time require.

*The appointment of the staff employed in working the extension Railway shall be made by the Coy.*

*See para 9 of this agreement*

*The Coy will agree to maintain the line and all the works in an efficient and proper condition and to the satisfaction of the inspecting officer of the Board of India appointed to inspect the lines of the amalgamated undertaking, and will if called upon by that officer carry out any works repair or improvement chargeable to revenue which shall be required to be done, so that the line, stations, buildings, plant and machinery, may at all times be maintained in good working condition and repair.*

*The Coy will run such trains over this extension as the traffic may require, but not less than one train each way each day. The number of trains to be run, and the time tables shall from time to time be fixed by the Coy.*

*In the event of war or other national emergency the Coy will give precedence over the amalgamated undertaking to all traffic of the Government.*

23. The Company shall from time to time upon the requisition of the Secretary of State give precedence on the State Railway over all other traffic to the demands of the Government.

24. The Company shall book goods and passengers from all stations upon the line of the State Railway to all such stations upon other lines of Railway as the Company now or shall from time to time interchange traffic with and shall otherwise extend to the traffic on the State Railway all privileges facilities and booking arrangements now or hereafter used or enjoyed by the Company in connection with other lines of Railway.

25. The Secretary of State may from time to time require the Company to allow the use of the State Railway for the passage of engines and trains from or to other railways of the same gauge upon the payment of reasonable tolls and under reasonable conditions and restrictions.

26. The Secretary of State may from time to time require the Company to make reasonable arrangements for the interchange of traffic and rolling-stock between the State Railway and other railways and for through-booking.

27. The Secretary of State may from time to time require the Company to allow the use of any of the stations on the State Railway for the accommodation of the traffic of any railway belonging to any other Company or to the Government of India or to any allied tributary or foreign State upon the payment of reasonable tolls and under reasonable conditions and restrictions and may also require the Company to make such alterations and additions as may in the opinion of the Secretary of State be necessary or convenient for the purpose of such accommodation upon such terms as may be agreed upon between the Secretary of State and the Company and may also require the Com-



pany to allow junctions to be formed between the State Railway and railways belonging to any other Company or to the Government of India or to any allied tributary or foreign State.

28. In working the State Railway the Company shall not make or give any undue or unreasonable preference or advantage to or in favour of any particular person or Company or any particular description of traffic or subject any particular person or Company to any undue or unreasonable prejudice or disadvantage. The Secretary of State shall have absolute power for the purposes of this section to decide whether any preference advantage prejudice or disadvantage is undue or unreasonable and the Company shall be bound by such decision.

29. The Company shall charge such rates fares and tolls and shall make such conditions and arrangements in respect of the traffic on the said State Railway as are now or shall be from time to time in force upon the Nizam's Guaranteed State Railway subject to the following exception:—

(1) Construction and revenue stores required for the State Railway shall be carried over the lines of the amalgamated undertaking at the rates and under the conditions in force for the time being on the Indian State Railways generally.

30. All services which on the State Railway the Secretary of State shall require the Company to perform for the Post Office the Military Department the Police Department or any other Department of the State or for high Government officials (including in such services the conveyance of mails as defined by the Post Office Act or Acts for the time being in force in India the conveyance of post office servants when on duty the conveyance of troops and sailors Military and Naval establish-

*The rates charged on the Bangalore Mysore Railway shall be the same as those charged on the N. & C. R. and the rates for goods & all classes of passengers for the public for the Government, and for Revenue & Capital purposes or for other railways, shall, during the continuance of this agreement, be the same as those in force on the Company's line.*

*All services for the Post Office, the Military Department, the Police, or any other Department of the State, or for high officials, including in such services the conveyance of Post Office servants when on duty, of troops and sailors, Military and Naval establishments, horses, and other animals used for military purposes, guns, military stores and equipments, conveyance of police persons employed in the telegraph service, prisoners and paupers, shall be performed by the Coy. on the same terms as those in force on the N. & C. R.*

ments horses and other animals used for military purposes guns military stores and equipments the conveyance of police prisoners and paupers the conveyance of telegraph stores instruments officers and workmen and of any public stores whatever inclusive of stores for any other State Railway) shall be performed by the Company on the same general conditions and at the same rates and under the same conditions as may for the time being be generally in force on other Indian State Railways.

31. For the purposes of inspecting the amalgamated undertaking and auditing the accounts of the Company or otherwise exercising such supervision and control as are intended to be reserved to the Secretary of State by this contract over all matters connected with the State Railway the Secretary of State may from time to time appoint such person or persons as he may think proper with such powers as he may consider necessary or expedient and the Company shall afford every person so appointed all reasonable facilities for the purpose of enabling him to perform the duties entrusted to him by the Secretary of State. And the Agent of the Nizam's Guaranteed State Railway in India shall both at the head-quarter office and other offices on the State Railway and at its stations and junctions allow such person or persons all reasonable access to sources of information regarding the traffic and working and to the division of receipts made in the Nizam's Guaranteed State Railway accounts which might in any way affect the gross receipts of the State Railway.

32. The Company shall to the satisfaction of the Secretary of State record and keep in proper books full and particular accounts of all their transactions and proceedings including full and true minutes of all their meetings of Directors communications with India and correspondence in any way relating to or affecting the State Railway or the business thereof or any of the matters or things included or

*(9) The separate books of the Company showing the transactions of the Bangalore Mysore Railway together with all vouchers, papers, and correspondence directly belonging thereto shall be subject to audit and inspection by an officer whom the Government of India may appoint for that purpose, and after 3 months have elapsed from the date of the certifying by the auditors that the accounts are correct they shall be regarded as final between the Government and the Company, subject to the correction of any errors which may be afterwards discovered, which errors shall be rectified in the accounts of the following year. Nothing in this clause however shall be interpreted as meaning that the Government shall have any right to audit or examine the Company's own accounts, the Government agreeing to accept the statements of working expenses as set forth in the Coy's audited and printed accounts.*

*But the Government is to accept the figures of the Coy's yearly audited and published accounts, is not to claim the right to go behind these accounts or to examine the Coy's own books and papers.*



referred to in this contract so as at all times to exhibit fully and truly the state of their affairs in relation thereto and the Secretary of State or any person or persons appointed by him in that behalf shall at all reasonable times have free access to all the books accounts papers and documents of the Company relating to the State Railway with power to call for or make copies of or extract from the same.

33. The Company shall keep all such accounts relating to the State Railway and all such accounts as between the Company and the Secretary of State as the Secretary of State shall from time to time require and shall keep the accounts relating to the Capital expenditure and the gross receipts of the State Railway separate and distinct from the accounts relating to the Nizam's Guaranteed State Railway. Such accounts shall be kept in such form and under such heads or divisions and for such sections of the State Railway and for such periods and with such details and shall be submitted to the Secretary of State at such times as he shall from time to time prescribe.

34. Unless and until otherwise directed the Company shall keep the following accounts in regard to the State Railway—

A Capital Account including the  
Stores Accounts.

A Revenue Account.

35. In the Capital Account of the State Railway the following particulars shall be entered to debit and credit respectively (that is to say)—

*To Debit.*

- (a) The value at cost price as shewn in the accounts of the Government as and in manner aforesaid inclusive of the railway plant and machinery handed over to the Company as aforesaid.
- (b) The value as certified by the Secretary of State of all land

*The Company shall keep as soon after the 31st March + 31st December as possible in each year to render to the Secretary of State the accounts of Capital Expenditure made up in the same form as those in which the Company's own accounts are prepared.*

provided by him after the 4th February 1889 for the purposes of the State Railway.

- (c) All moneys which shall be actually expended by the Company with the sanction of the Secretary of State out of funds provided by him or expended by the Secretary of State in respect of the State Railway upon works rolling-stock plant or machinery the cost of which is chargeable to capital or upon any alterations or additions which may be required to bring the State Railway or the works rolling-stock plant or machinery connected therewith up to a proper standard in point of efficiency as determined by the Secretary of State and its works rolling-stock plant and machinery.

- (d) All such other sum (if any) as ought under the provisions of this Contract to be entered to debit in the Capital Account.

*And to Credit.*

- (e) All such of the moneys to be received by or on behalf of the Company in respect of the State Railway as ought under the provisions of this Contract to be treated as received on account of capital.
- (f) The value (to be determined by the Secretary of State) of any land of which the Company shall have been allowed to take possession for the purposes of the State Railway and which shall have been subsequently relinquished to the Secretary of State in accordance with Section 18 of this contract or otherwise.

36. All moneys expended by the Company on the capital account of the State Railway and all other expenses of the



Company in connection therewith shall from time to time be stated and submitted to the Secretary of State for his sanction and as between the Company and the Secretary of State shall be allowed only so far as the same shall from time to time have been sanctioned by the Secretary of State. The Capital Account shall from time to time as the Secretary of State shall require be made up and the balance thereon ascertained and stated therein.

37. The gross receipts of the State Railway are to be collected and treated as receipts of the Nizam's Guaranteed State Railway. Moneys such as shall arise from the sale of any property on any occasion other than the replacement of the property sold by other property of the same or a similar character shall be treated as received on account of Capital the residue shall be treated as received on account of Revenue. Provided always that no sale of any property on any occasion other than such replacement as aforesaid shall be made without the sanction of the Secretary of State.

38. The Company shall keep a distinct and separate account of the gross receipts of the State Railway to be called "The Bezvada Extension State Railway Revenue Account." Such accounts shall be made up half-yearly to the 30th day of June and the 31st day of December in each year or to such other day as the Secretary of State may at any time prescribe and shall be regularly submitted by the Company to the Secretary of State who may audit the same either concurrently with or after the booking of the account, or in both ways as he may think fit and may in case of any error being discovered therein correct the same within three calendar months after the account containing such error shall have been submitted to him. Every Revenue Account shall be considered as settled at the expiration of three calendar months after the same shall have been submitted to the Secretary of State but nevertheless any error

Para 9 Agents Bill

which may subsequently be discovered therein shall be corrected in the then next Revenue Account or in any subsequent Revenue Account or accounts as the Secretary of State may determine.

39. All costs charges and expenses incurred by the Company in the maintenance of the way works plant and machinery of the State Railway properly chargeable to maintenance in accordance with the orders issued from time to time by Government for the preparation of the Revenue Accounts of the Indian Railways generally shall be defrayed by the Secretary of State in such manner as may be agreed upon. All costs charges and expenses other than charges for maintenance incurred by the Company in connection with the management use and working of the State Railway and the conveyance of traffic thereon properly chargeable to Revenue Account shall be paid out of the gross receipts of the amalgamated undertaking and so far as possible out of the gross receipts of the half-year to which they are properly attributable and in each half-year there shall be deducted from the gross receipts of the State Railway such sum as shall bear the same rate per cent. to the gross receipts of the State Railway as the aggregate joint working expenses of the amalgamated undertaking under all departmental heads other than maintenance shall bear to the aggregate gross receipts of the amalgamated undertaking during such half-year. From the balance of the gross receipts of the State Railway shall be further deducted 5 per cent. of the total gross receipts which shall be credited to the Company for the hire of rolling-stock and the balance of such gross receipts after making the said two deductions shall be paid over to the Secretary of State.

40. In case any question shall arise whether any expenditure incurred for the purposes of the amalgamated undertaking is to be treated in the whole or in part as a charge incurred on Capital Account or

"The company will agree to work the Bezvada Extension Railway & maintainance & renewal of way works & station erected for the same percentage of the gross earnings of the State Railway as shall in each half year be found to represent the percentage of working expenses on gross earnings of the Coy's line. That is to say that otherwise it appeared that for the 1/2 year ending 30 June 1889, the working expenses of the Company's own line inclusive of maintenance & renewal of way works and station amounted to 35.70 % for that 1/2 year the same percentage of the gross earnings of the Bezvada Extension Railway shall be taken as representing the working expenses of that railway. And in each subsequent half year the same percentage of working expenses on gross earnings of the Coy's shall be taken as being the percentage of working expenses to gross revenue chargeable to the Bezvada Extension Railway

8) The company shall keep the extension railway equipped with rolling stock of all descriptions, & the Govt as a consideration to the company in so doing shall pay the Coy each half year a sum equal to 5% on the gross earnings of the Bezvada Extension Railway for that 1/2 year

14) The distribution of charges between Capital & Revenue shall be made by the Company in accordance with the principles laid down in clauses 28 and 33 of the agreement dated 23 Dec 1885 between the Govt of H H the Nizam & the Company.



how the same is to be dealt with the question shall be determined on the general principle that Capital is to bear the cost of new works of additional rolling-stock plant and machinery and of substantial improvements of and additions to old works rolling-stock plant and machinery including the cost of any temporary new work the construction of which is requisite for the construction of a work properly chargeable to Capital and that the cost of repairs restorations renewals replacements and substitutions is to be borne by Revenue.

If any difference shall arise between the Secretary of State and the Company as to whether any expenditure of the Company is properly chargeable to Capital or Revenue the matter in difference shall be referred to the decision of the Joint Auditor if the Secretary of State and the Company shall have appointed such an officer but in case a Joint Auditor shall not have been appointed then the matter in difference shall be referred for final decision to some person to be appointed by the Company and a Government Examiner of Railway Accounts or some other person to be named by the Secretary of State or in case of their being unable to agree to a referee to be named by them. The cost of any such reference shall unless the Secretary of State shall otherwise direct be treated as part of the joint working expenses of the amalgamated undertaking.

41. The accounts of the Company in relation to the Capital account and to the gross receipts of the State Railway shall from time to time be audited on behalf of the Secretary of State by such person or persons as he shall from time to time appoint and the Company shall produce to the auditors or auditor so appointed by the Secretary of State all vouchers books accounts papers and documents of the Company necessary for the purpose of audit and afford to them or him all facilities requisite for performance of their

or his duties. Amongst the functions of the auditors or auditor shall be included the duty of seeing that expenditure is charged and revenue applied in accordance with the provisions of this Contract. Any correction made in the accounts by any person or persons who shall be acting as joint auditor or joint auditors on behalf both of Secretary of State and the Company shall be conclusive. If consequent on the audit of any auditor acting exclusively on behalf of the Secretary of State the Secretary of State shall require any alterations to be made in the accounts and the Company shall object to such alterations the matter in difference shall be referred for final decision to two persons one to be named by the Secretary of State and the other to be named by the Company and in case such two persons shall be unable to agree then to an umpire to be named by the referees. The necessary costs of any such reference as last aforesaid shall lie included in the joint working expenses of the amalgamated undertaking.

42. The Company shall from time to time make such returns and furnish such statistics relating to the State Railway in such form and under such heads and divisions and with such details as the Secretary of State may from time to time require. The costs of preparing such returns and statistics and incidental thereto shall be treated as part of the joint working expenses of the amalgamated undertaking and covered by the deduction from the gross receipts of the State Railway payable to the Company under section 39.

43. The cost of providing and maintaining the force of police required for the purposes aforesaid shall be defrayed in the following manner that is to say three-tenths shall be borne by the Secretary of State and the remaining seven-tenths including the indirect charges for leave pension and supervision calculated in accordance with Resolution by the Government of India in the Financial Department No. 5612, dated 13th October 1888,



shall be treated as part of the joint working expenses of the amalgamated undertaking and covered by the deduction made from the gross receipts of the State Railway payable to the Company in accordance with section 40. And if the Secretary of State shall consider that any addition to the force is required for the preservation of law and order for the purposes of the State Railway his determination on that point shall be final and such addition shall be made accordingly.

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

*13/*  
The telegraphs on the Nagvada  
Section will shall be worked  
by the Company on the same  
terms and conditions as those  
on which the telegraph is worked  
on the Company's own line

sons employed by him in or about or in connection with the construction maintenance working or inspection of the electric telegraphs mentioned in this section or any building machinery works or appliances appertaining thereto.

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

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

47. The Company if so directed by the Secretary of State shall in relation to any electric telegraphs or telegraphic appliances of which under the 16th Section of this Contract it shall for the time being be allowed to have the use observe the rules applicable to telegraphs and telegraphic appliances which shall for the time being be in force in the case of State Railway



Telegraphs or such of the said rules as the Secretary of State may from time to time prescribe to be observed by the Company and the Company if so directed by the Secretary of State shall account in such manner as shall be prescribed by the rules which shall for the time being be in force in relation to State Railway Telegraphs or as the Secretary of State shall require for the receipts derived from the working of telegraphs and telegraphic appliances.

48. The Director General of Railways shall have the power of issuing free passes over any part of the State Railway in accordance with the rules for the issue of free passes over Indian State Railways.

49. No claim shall be made upon the Secretary of State by the Company in respect to the State Railway for compensation in respect of the prejudicial effect upon the amalgamated undertaking of any Act of the Indian Legislature of general applicability for the time being in force. And the Company shall in respect to the State Railway be subject to the provisions of every such Act and no claim shall be made upon the Secretary of State by the Company for compensation in respect of the prejudicial effect upon the amalgamated undertaking of any treaty convention or agreement for the time being in force between the Secretary of State and the Government of any allied tributary or foreign state although such treaty convention or agreement may not be of general applicability. And the Company in respect to the State Railway shall be subject to the provisions of every such treaty convention or agreement as mentioned in this section.

50. No communication or negotiation of any kind in respect of any matter whatever in connection with the State Railway shall be made or conducted by or on behalf of the Company to or with the Government of any allied tributary or foreign State or with any officials of any such Government as last aforesaid

*Board of the Company in India  
shall on the requisition of the G.O.R. make such  
arrangements over the Hyderabad Railway  
as are in accordance with the rules for the issue  
of free passes over the Hyderabad Railway, which rules are  
applicable to the same as those in force on  
the Indian State Railways.*

except under the control of the Government of India and in such manner and under such rules as the Government of India shall from time to time direct in that behalf.

*19.  
All communications made to the  
Govt shall be sent to the Agent  
of the Company in Hyderabad  
and all communications from  
the Company to the Govt of  
India shall be submitted to the  
Consulting Eng<sup>r</sup> Madras, and the  
Resident of the Government of India in  
the Hyderabad State.*

51. The Company shall at all times during the continuance of this Contract keep an office established at Hyderabad and shall keep at the said office an authorized agent or committee of agency with whom the Secretary of State and the Government of India or other officer or officers deputed in that behalf may communicate on affairs concerning the State Railway and all drafts drawn and receipts given by the said agent or committee of agency or under his or their authority on behalf of the Company concerning the State Railway and the affairs thereof shall be binding on the Company and every notice to be given to the Company shall be sufficiently given if left at or sent by post under a registered cover to the said office or personally served on the said agent or any member of the said committee of agency.

52. Any notice direction requisition appointment certificate of opinion approval or sanction to be given or signified on the part of the Secretary of State for any of the purposes of this Contract shall be sufficient and binding if in writing signed by the Secretary of State or one of his Under Secretaries or by a Secretary Deputy Under or Assistant Secretary of Government in India or by any other officer or servant duly authorized to act on behalf of the Secretary of State in respect of the matters to which the same shall relate and the Secretary of State shall not in any case be bound in respect of the matters aforesaid unless by some writing signed in the manner before mentioned.

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



54. If there shall be any breach on the part of the Company (whether by act or omission or default) of any of the stipulations or provisions of this Contract on the part of the Company to be performed or observed and the Company shall fail to remedy effectually any such breach as aforesaid within six calendar months after notice in writing to remedy the same shall have been given to the Company by the Secretary of State he may on or at any time after the expiration of the six calendar months last aforesaid determine this Contract by giving to the Company notice in writing of such determination.

55. Upon the determination of this Contract under either of the two sections 5 or 54 or by effluxion of time the Company shall give to the Secretary of State possession of the State Railway together with the plant and machinery belonging thereto and all stores in hand or in course of delivery on the day of the determination of the Contract and all plans books surveys sections printings writings and documents whatsoever in anywise connected with the State Railway and all other property (if any) belonging or appertaining thereto and shall pay to him all moneys in their possession on account of the State Railway. And after such possession shall have been given and after all moneys which under this Contract shall have become payable to the Secretary of State shall have been duly paid the Secretary of State shall be bound to indemnify the Company their property and effects against all such debts and liabilities (if any) as they may have incurred with the sanction of the Secretary of State and which shall be then subsisting.

56. Upon the termination of this Contract the working stores appertaining to the State Railway which may have been provided by the Company shall if the Company so desire be taken over by the Secretary of State at a valuation to be determined by mutual agreement or if necessary by arbitration. Any stock purchased from the Secretary of State and no longer

required by the Nizam's Guaranteed State Railway shall be taken back at a valuation to be determined in a similar manner.

57. If the Secretary of State and the Company shall fail to agree touching any matter with respect to which their agreement is required by this Contract or if in any case not herein specially provided for any dispute question or controversy shall at any time arise between the Secretary of State and the Company touching these presents or any section or thing herein contained or the construction hereof or any matter connected with these presents or the operation hereof or the rights duties or liabilities of either party in relation to the premises then and in every such case the matter as to which the Secretary of State and the Company shall fail to agree or the matter in difference as the case may be shall be referred to two arbitrators or their umpire pursuant to and so as with regard to the mode and consequences of the reference and in all other respects to conform to the provisions in that behalf contained in the Common Law Procedure Act 1854 or any subsisting statutory modification thereof and upon every such reference the arbitrators and umpires shall respectively have power to examine witnesses upon oath or affirmation and either to fix settle and determine the amount of costs of the reference and award respectively or incidental thereto to be paid by both parties or by either party or to direct the same to be taxed either as between solicitor and client or otherwise and to direct and award where and by and to whom such costs shall be paid and every or any such reference may be made a rule of Her Majesty's High Court of Justice or of the High Court of Judicature at Bombay on the application of the Secretary of State or of the Company and either the Secretary of State or the Company may instruct counsel to consent thereto for the other party.

58. IN WITNESS WHEREOF, &c.

E. A. D'S.]

G. C. Press, Simla.—No. 440 P. W. D.—20-7-89.—30.

201

*Should any difference arise between the Board and the Company regarding the construction of the foregoing agreement the matter in dispute shall be referred to two arbitrators in India, one to be chosen by each party, or in case of difference between them to an umpire they may select and the decision given by such arbitrator or umpire shall be binding upon both parties & such decision may be made a rule in the High Court of Judicature in Bombay*





B.

No 883 R 7 14th Aug 89

PUBLIC WORKS DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Under date the 14th Aug 89.

Read the following:—

Progs: of the Madras Gvt. P.W. Depto: } H.C. No. 41 R of 15 July 89

— Do — Do — 318-19 R of 22 March 89

Printed S.O. No. 1122 R of 92-10-89 { Do — Do — 563-64 R of 17 May 89

{ Do — Do — 660-61 R of 13 June 89

Read also the following:—

Latter from the Gort. of India P.W. Depto. with enclosure. } H.C. No 339 R. I of 29 July 89

Oil  
Lil  
Suff

Communicated to the Consulting Engineer for Railways with reference to his endorsements noted below:—

No 345 of 22 October 1888

— 384 of 8 November —

No change

E. 1

P.W. 7681/89



No 447 A of 21<sup>st</sup> December 1888

- 17 of 10 January 1889

- 136 of 16 March -

CSJ  
7. 8. 9  
R

13

No 883 R of 14<sup>th</sup> Aug 1889

To

The Comptroller for Rps with  
copies of agreement  
forwarded to the

9/17/8

circ 7/8/9  
R 8/10/9

All communications  
should be addressed  
to the Secretary.

No. 515 R. I.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY Traffic

To

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

Simla, the 25<sup>th</sup> September 1889  
Despatched 30<sup>th</sup>

Sir,

In continuation of Public Works  
Department No 339 R. I. dated the 19<sup>th</sup> July  
1889, I am directed to forward herewith, for  
the approval of His Highness the Nizam's  
Guaranteed State Railway Company, a  
revised paragraph 43 to be substituted for  
paragraph 43 of the proposed agreement  
for the working, by His Highness the  
Nizam's Guaranteed State Railway  
Company, of the Beyvada Extension State  
Railway, which formed an enclosure to the  
Public Works Department letter quoted.  
2 The revised clause differs from the  
original in that it includes in the Police  
charge



charges the cost of clothing and contingencies  
besides the other charges previously inserted.

NW. 689394

I have the honour to be,

Sir,

Your most obedient servant,

28/7/99

Mr. Mackenzie

Major R. E.

Under Secretary

S.C. 10.

Queb 1

85

B. 1117 R. 9 18 Oct 89.

11/10/89

Communicated to the

Consulting Engineer for Rail

ways in continuation of

Pass. No 883 R. dated

14<sup>th</sup> August 1889.

C.L.S.

10. 10. 9

R.

2

2 18/10

The Conference for Rys.

Nov 15/89 R. 191 with one Am. & 6 copies

29/10

Documents accompanying  
Revised paragraph 43 of the  
proposed agreement for the  
working by His Highness the  
Nizam's Guaranteed State  
Railway of the Bezvada  
Extension State Railway

10-883-4 R. 29. 10. 88

- 958-9 R. 12. 11. 88

- 1058 R. 17. 12. 88

- 1103 R. 21. 12. 88

- 5261 C. 25. 12. 88

- 20 R. 11. 1. 89

- 41 R. 15. 1. 89

- 318-9 R. 22. 3. 89

- 883 R. 14. 5. 89

- 159-60 R. 14. 6. 88

- 630 R. 13. 8. 88

The number, pay, and constitution  
of the Police force shall form matter  
of agreement between the Govt  
and the Company and shall  
as far as possible be placed on a  
similar footing to that existing  
on the company's line and the  
line of the G. I. P. R. and Madras  
Railway passing through the  
territory of the Nizam. The Com-  
p. must meet 7/10 of the agreed cost  
of Police which shall be charged  
to Abstract & General Charge  
of the amalgamated undertaking  
the Govt. shall itself pay the  
remaining 3/10.

(Revised paragraph 43 to be substituted  
for paragraph 43 of the proposed Agree-  
ment for the working, by His High-  
ness the Nizam's Guaranteed State  
Railways Company, of the Bezvada  
Extension State Railway, which formed  
an enclosure to Public Works Depart-  
ment letter No. 339 R.T., dated the  
19th July 1889).

43. The cost of providing and maintain-  
ing the force of police required for the  
purposes aforesaid shall be defrayed in the  
following manner, that is to say, three-  
tenths of the whole cost including cost of  
clothing and contingencies, and also the  
indirect charges for leave, pension, and  
supervision calculated in accordance with  
Resolution by the Government of India in  
the Financial Department, No. 5612, dated  
13th October 1888, shall be borne by the  
Secretary of State and the remaining  
seven-tenths shall be treated as part of the  
joint working expenses of the amalgamat-  
ed undertaking and covered by the deduc-  
tion made from the gross receipts of the  
State Railway payable to the Company  
in accordance with section 39. And if  
the Secretary of State shall consider that  
any addition to the force is required for  
the preservation of law and order for the  
purposes of the State Railway, his deter-  
mination on that point shall be final and  
such addition shall be made accordingly.



All communications  
should be addressed  
to the Secretary.

No. 646 R. I.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY Traffic.

9  
10

The Joint Secretary to the  
Government of Madras  
(Railway Branch)

Public Works Department.

Simla, the 26<sup>th</sup> October 1889

Sir,

I am directed to in-  
vite attention to Government of  
India Public Works Department letter  
No. 339 R. I. of the 19<sup>th</sup> July 1889 and  
515 R. I. of the 25<sup>th</sup> September 1889, the  
former forwarding for the approval  
of His Highness the Vizier's Guaranteed  
State Railway Company copy of an  
Agreement for working the Bezvada  
Extension State Railway by His  
Highness the Vizier's Guaranteed  
State



W. No. 10560

State Railway Company the latter  
revising paragraph 43 of the  
proposed agreement and to request  
the favour of an early reply-

I have the honour to be,

Sir,

Your most Obedt. Servt.

W. B. Mackintosh

Major, R.E.

Under Secretary

No. 5284 C of 13 Nov. 1889

- 10-459-60 L of 4.6.88
- 630 L of 3.8.88
- 553-4 L of 29.10.88
- 95859 L of 12.11.88
- 1058 L of 7.12.88
- 1103 L of 21.12.88
- 5261 C of 28.12.88
- 20 L of 11.1.89
- 41 L of 15.1.89
- 318-9 L of 22.3.89
- 83 L of 14.8.89
- 7 L of 18.10.89

Documents accompanying

and

Referred to the Cons.

ulting Engineer for Railways  
with reference to Pros. No. 888 R  
and 1117 R, dated 14th August and  
18th October 1889.

C. Smith Co. Secy.  
H. Secy. to Govt. P. & D.

Ry. Branch

No. 362/Ry of 1889

FROM

THE SECRETARY TO RESIDENT,  
HYDERABAD PUBLIC WORKS DEPARTMENT.

To

The Consulting Engineer  
for Railways  
Madras

4 December 1889

Sir

In continuation of this office No.  
276 B. dated the 3 September last, I  
am desired to forward the accompany-  
ing letter in original to your address  
from the Agent and Manager H. H.  
the Mysore Guaranteed State Rail-  
way intimating the terms on which  
the Company is willing to work the Bez-  
vada Extension Railway.

I have the honor to be  
Your most Obedt. Servant  
C. H. Watts

for Offg. Secy. to Resident  
14th Dec. 1889

Compare with 3 pages  
of 129 papers

X. No. 2232 W. of  
27th Nov. 1889

14-11-89

14-11-89





8. 1.

P. No. 236.  
2,000-8-3-89.

No. 22325

C. G. No. 4.

FROM

THE AGENT AND MANAGER,

H. H. the Nizam's Guaranteed State Railways Co. "Ld."

To

The Consulting Engineer  
for Railways

Madras

Dated Secunderabad, (Deccan) 27 November 1889

Enclosure

REFERENCE.

Sir,

I am instructed by my Board of Directors to suggest that the terms and conditions upon which my Company shall work the Bejrada extension line should be embodied in a letter, instead of in a lengthy and complicated Agreement. With this object in view, I am desired to submit the following, which appears to me to include all that is necessary to shew the mutual obligations of the Government of India and my Company.

1. The Company will work the Bejrada extension Railway as a portion of its own line, and will run such trains over the

Running of  
trains



the extension as the traffic may require, but not less than one train each way each day. The number of trains to be run, and the time tables, shall from time to time be fixed by the Company.

2. The fares charged on the Rywada extension railway shall be the same as those from time to time in force on N.H. the Mysore State Railway, and the rates for goods of all classes and descriptions, for the public, for the Government, and for Revenue and Capital purposes, or for other Railways, shall, during the continuance of this Agreement, be the same as those in force on the Company's lines.

Fares.

3. All services for the Post Office, the Military Department, the Police Department or any other Department of the State or for high officials, including in each service the conveyance of Post Office servants when on duty, of troops and sailors, Military and Naval establishments, horses and other animals used for Military purposes, guns Military stores and equipments, conveyance of Police

Govt. traffic

Police, or persons employed in the Telegraph Service, prisoners and paupers, - shall be performed by the Company on the same terms as those in force on the Mysore State Railway. In the event of war, or other national emergency, the Company will give precedence over the amalgamated undertaking to all traffic of the Government of India.

Working Expenses  
except maintenance  
renewals

4. The Company will agree to work the Rywada extension Railway (maintenance and renewals of way, works and Stations excepted), for the same percentage of the Gross earnings of the State Railway as shall, in each half year, be found to represent the percentage of working expenses on Gross earnings on the Company's own line. That is to say, that whereas it appears that for the half year ending 30 June 1889, the working expenses of the Company's lines, exclusive of maintenance and renewals of way, works and Stations, amounted to 35.70 per cent, for that half year, the same percentage of the gross earnings of the Rywada extension Railway shall be taken as representing the working expenses of that Railway. And in each subsequent half year,

the



the ascertained percentage of working expenses on gross earnings of the Company, shall be taken as being the percentage of working expenses to gross Revenue chargeable to the Bejrada Extension Railway.

5. The Company will, if desired by Government, furnish Government at the beginning of each half year, or as soon thereafter as may be possible, with an estimate of the probable gross earnings of the amalgamated undertaking, and of the working expenses. But the Government is to accept the figures of the Company's working expenses as set forth in the Company's half yearly audited and published accounts, and is not to claim the right to go behind these accounts, or to examine the Company's own books and papers.

6. The Company will, at the beginning of each half year, furnish to the Government an estimate of the probable costs of maintenance and renewals of way, works and Stations on the Bejrada Extension Railway, and the Government shall sanction that estimate, if it be approved, and provide the funds necessary. The Company will agree to maintain the line and all the works in an efficient and

furnishing of  
gross earnings for  
calculating  
working expenses

estimate for  
maintenance &  
renewals

and proper condition and to the satisfaction of the Inspecting Officer of the Government of India, appointed to inspect the lines of the amalgamated undertaking, and with, if called upon by that Officer, carry out any works, repairs or improvements, chargeable to Revenue, which he shall require to be done, so that the line, stations, buildings, plant and machinery, may at all times be maintained in good working condition and repair.

7. Should it appear to the Government, to the Company, or to the Inspecting Officer, that any new works, or any additions to Stations, buildings, plant or machinery, are necessary, which would constitute a Capital charge, then the Company shall submit an estimate for the carrying out of the same to the Government for its sanction, and when sanctioned, these works shall be carried out by the Company to the satisfaction of the Government who will provide the funds for the same.

8. The Company will keep the Extension Railway equipped with Rolling Stock of all descriptions, and the Government, as a consideration to the Company for so doing, shall pay the Company each half year, a sum equal to 5% on the gross earnings of the Bejrada

Execution  
of works  
Capital

Store of  
rolling stock



Extension Railway for that half year.

9. The Company agree, as soon after the 30<sup>th</sup> June and 31<sup>st</sup> December as possible in each ~~half~~ year, to render to the government the accounts of Capital and Revenue expenditure made up in the same form as those in which the Company's own accounts are prepared, and the separate books of the Company shewing the transaction of the Bignada extension railway, together with all Vouchers, papers and correspondence directly belonging thereto, shall be subject to audit and inspection by any officer whom the Government of India may appoint for that purpose, and after three months have elapsed from the date of the certifying by the Auditing Officer that the accounts are correct, they shall be regarded as final between the Government and the Company, subject to the correction of any error which may be afterwards discovered, which error shall be rectified in the accounts of the following half year. Nothing in this paragraph however, shall be interpreted as meaning that the Government shall have any right to audit or examine the Company's own accounts, the Government agreeing to accept the

Rendering of  
Accounts

Allocation  
between Capital  
& Revenue

Payment of  
net earnings

Appointment of  
Staff

Telegraphs

Police

items of working expenses as set forth in the Company's audited and printed accounts.

10. The distribution of charges between Capital and Revenue shall be made by the Company in accordance with the principles laid down in clauses 28 and 33 of the Agreement dated 23<sup>rd</sup> December 1883, between the Government of N.H. the Vizam and the Company.

11. The sum representing <sup>the</sup> net earnings of the line, shall as soon as they have been ascertained, be paid over to the Government, or into any treasury into which the Government may direct them to be paid.

12. The appointment of the Staff employed in working the Extension Railway, shall be made by the Company.

13. The telegraphs on the Bignada extension Railway shall be worked by the Company on the same terms and conditions as those on which the Telegraph is worked on the Company's own line.

14. The number, pay and constitution of the Police force shall form matter of agreement between the Government and the Company, and shall, as far as possible, be placed upon the same or a similar footing to that existing on the Company's line and the lines of the



G.I.P. and Madras Railways, passing thro the territories of N. H. the Nizam. The Company will meet seven-tenths of the agreed cost of Police, which shall be charged to Abstract E, General charges, of the amalgamated undertaking, and the government shall itself pay the remaining three tenths.

15. All losses arising from accidents, or from loss or damage to goods carried over the amalgamated undertaking, (excepting such loss from damage, the making good or the repair of which would form a charge against Maintenance), shall be borne by the Revenue of the amalgamated undertaking, and charged off from half-year to half-year, to Abstract G, that is to say, Special and Miscellaneous Expenditure.

16. In the event of any further lands being required for the purposes of the Bejrada Extension Railway, the Company shall apply to the Government of India for the same, and if satisfied that the acquisition of such land is necessary, the Government of India will, at its own cost, hand over the same to the Company for the purposes of the Bejrada Extension Railway.

The

The land so handed over shall remain the property of the Government.

17. The Agent of the Company in India, shall, on the Requisition of the Director General of Railways, issue such free passes over the Bejrada Extension Railway as are in accordance with the rules for the issue of free passes over the Company's lines, which rules are at present the same as those in force on the Indian State Railways.

18. This Agreement between the Government and the Company shall be in force till the 1<sup>st</sup> January 1891, and shall continue in force after that date, but subject to its termination by either party by six months notice in writing, to be given at the end of any half-year. If the Government or the Company resolves to terminate the Agreement on the 1<sup>st</sup> July 1890, then notice shall be given on or before the 1<sup>st</sup> July 1890.

19. All communications made to the Coy. shall be sent to the Agent of the Company in Secunderabad, and all communications from the Company to the Government of India shall be submitted to the Consulting Engineer, Madras, thro the Resident of the Govt. of India in the Hyderabad State.



20. Should any differences arise between the Government and the Company, regarding the construction of the foregoing Agreement, the matter in dispute shall be referred to two arbitrators, in India, one to be chosen by each party, or in case of difference between them, to an umpire they may select, and the decision given by such arbitrator or umpire shall be binding upon both parties, and such decision may be made a rule in the High Court of Judicature in Bombay.

I have the honor to be,

Sir,

Your Most Obedt. Servant.

W. F. Fendley

Agent and Manager

W.F.F.

Form No. 1.

PUBLIC WORKS DEPARTMENT.

OFFICE OF CONSULTING ENGINEER FOR RAILWAYS,

Madras, 19<sup>th</sup> December 1889.

Letter from the officiating secretary to the Resident  
No. 382 Ry 2 4/12/89  
Hyderabad, P. W. D. forwarding.

Letter from the agent and manager, H. H. the  
Nizam's Guaranteed State Railways No. 2232 W  
dated 27<sup>th</sup> Nov. 1889. 518

SUBMITTED \_\_\_\_\_ to \_\_\_\_\_ Government with

reference to the undermentioned  
Proceedings of Government.

No. 883 R. of 14. 8. 89

" 1117 R. " 18. 10. 89

" 5284 C " 13. 11. 89

for the orders of the Government  
of India.

2. The terms for working the Bezwada  
Extension Railway (State Railway)  
as first forwarded by the Board of  
H. H. the Nizam's Guaranteed State  
Railway Company, and the  
"agreement" forwarded by the









every half year with a maintenance and  
renewal estimate: this is apparently not  
touched on in the agreement.

The Board accept the terms of the Para 6 (b).

'agreement' but make no reference Proper maintenance of  
to the powers of the Secretary of state Tools, plant, way  
in case when the Company fails to  
Comply with requisitions (20)

No remarks.

Para 7

Exemption of capt. works

In consideration of the Company  
supplying rolling stock the Board  
propose 5% on the gross earnings of  
the state line for the half year  
which is in accord with the  
'agreement' (39).

Para 8

Rolling stock

The Board offer to render yearly  
accounts of Capital and Revenue  
expenditure in the Company's form.  
The agreement requires all accounts  
to be kept in such forms as  
the Secretary of state shall prescribe  
(33 & 34).

Para 9

Accounts

The Board propose to allocate  
between Capital and Revenue  
on the principles laid down in  
clauses 28 & 33 of the agreement

Para 10

allocation of charges

dated 23<sup>rd</sup> Decr 1883, between the  
Government and the Company  
the agreement specifies the conditions  
of allocation.

Para 11  
Payment of net  
earnings

The agreement simply directs that  
net earnings shall be paid out to the  
Secretary of state (39).

Para 12  
affidavit by of staff

No remarks.

Para 13  
Telegraphs.

No remarks

Para 14  
Police

Apparently the Board have not  
come to any decision in the matter  
and propose to make an agreement  
with Government on lines similar  
to the Great Indian Peninsula  
Railway and the Madras Railway  
(43).

Para 15  
Losses & Damage

The Board propose that losses from  
accidents, or loss or damage to goods  
carried out the amalgamated  
undertaking (excepting such as are  
debitable to maintenance), shall be  
borne by the Revenue of the  
amalgamated undertaking. The  
agreement lays down that the  
Company shall be responsible for  
such losses on the state Railway.



so that presumably the amalgamated earnings should not be debited with these charges (13).

No remarks.

Para 16

Land

The Board place the issuing of passes in the hands of the Agent for passes under the Vizianagar Guaranteed State Railway rules: the agreement in the hands of the Director General of Railways under Indian State Railway rules. These two rules are at present identical, but they may not remain so. (42).

No remarks.

Para 18

Deviation of agreement

Para 19

The Board propose that all their communication shall be to the Consulting Engineer for Railways, Madras through the Resident Hyderabad and that all communications to their Agent should be by the Consulting Engineer for Railways, Madras — Nothing is said in the agreement about the Resident being the channel of communication.

As regards the Agent's office the agreement lays down Hyderabad. The Board Secunderabad (51).



Para 20 The two are practically the same.  
Settlement of differences  
of opinion.

Sidney Smith

Major R.E.

for. Comg: Engr. for Rgs.



No. 1117 R 4/18-10-89

" 823 R - 14-8-89

" 318-9 R - 22-3-89

" 41 R - 15-1-89

" 20 R - 11-1-89

" 5261C - 28-12-88

A

" 1103R - 21-12-88

A

" 1058 R - 7-12-88

" 958-9 R - 12-11-88

" 883-4 R - 29-10-88

" 630 R - 3-8-88

" 459-60 R - 4-6-88

" 5703C - 5-12-89



13 No 1434 R 24 Dec 89  
Form No. 3  
No 12  
Ordered to be for

From  
THE CONSULTING ENGINEER  
FOR RAILWAYS,  
MADRAS,

No. 518

Dated 19<sup>th</sup> } December 1889  
Received

No. of ENCLOSURES. 3

Subject.

No. 339 R. I. dated 19<sup>th</sup> July 89.  
" 515 R. I. dated 25<sup>th</sup> Sept 89.  
" 646 R. I. " 26<sup>th</sup> Oct 89.  
No. 1435 R 24 Dec 89.

Forwarded.

C.S.

19.12.89

R.

2. It is observed that the period paragraph 143 to be substituted for para 143 of the proposed agreement which formed an enclosure to P.W.D. letter No. 339 R. I. dated the 19<sup>th</sup> July 1889 is somewhat ambiguously worded as to the incidence of the cost for indirect charges for leave, pension and superannuation.

It is presumed that the whole cost mentioned in line 6 includes these indirect charges but this interpretation, as the clause is worded, might be questioned.

Submits with remarks letter from the Agent and Manager, H. H. the Nizam's Guaranteed State Railway, stating the terms for working the Bejapada Extension Railway as put forward by the Board of Directors in Encl.

B

No. 1434-35 R 24 Dec 89.

All communications should be addressed to the Secretary.

No. 0178 R. T.  
GOVERNMENT OF INDIA.  
PUBLIC WORKS DEPARTMENT.  
RAILWAY Traffic.

3/6

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

Calcutta, the 1<sup>st</sup> February 1890.

Sir

I am directed to acknowledge the receipt of your endorsement No. 1435 R. I. dated the 24<sup>th</sup> December 1889, forwarding a copy of a letter No. 2232 w dated the 27<sup>th</sup> November 1889 from the Agent and Manager, His Highness the Nizam's Guaranteed State Railways Company, suggesting, under instructions from his Board of Directors, that the terms and conditions upon which his Company should work the



the Bezvada Extension be embodied in a letter instead of in a lengthy agreement and with this object in view, that officer submits particulars which appear to him to include all that is necessary to shew the mutual obligations of the Government of India and his Company.

2. In reply I am to say that the Government of India has no objection to the conditions for working the Bezvada Extension being embodied in a letter only and approves generally of the terms proposed by the Agent and Manager of His Highness the Nizam's Guaranteed State Railway Company in his letter with the exception of clauses 4 and 9.

3. As regards clause 4 I am to observe that the Agent proposes that the Extension shall be worked for the same percentage of the gross earnings of

865 137  
of the Extension as shall be found to represent "the percentage of working expenses on gross earnings on the Company's own line &c &c" but the Government of India proposed to pay that percentage of the gross earnings of the Extension which the gross expenses (excluding maintenance) shall bear to the gross earnings of the amalgamated undertaking. It is probable that the two proposals are in reality one and the same, but the wording in the draft agreement prepared by Government appears the more correct of the two - seeing that if the working expenses of either line (exclusive of maintenance) are to bear the same proportion to the gross earnings on either it would be impossible to arrive at the percentage in any way other than that proposed by Government.

4. As regards clause 9 of the Agent's proposals I am to point out that in addition







100

100



HYDERABAD P. W. DEPARTMENT.

1890 REGISTER  
No. 143  
FILE

FROM

Agent Manager  
H. H. Nizam's State  
Railway.

No. 343 W.

Dated 188

Received 3<sup>rd</sup> March 188

Memo:  
Transferred to the Consult.  
ing Engineer for Railways,  
Madras. — J. N. Watts  
(For, Mr. Secy. Road.)  
4/2/90

Subject.

Offers certain Explanations  
and agreement for running the  
Bezavada Extension  
Railway. —

618-i 68 Ry.

HS I enclose a few  
specimen prints of the agreement

H. H. THE NIZAM'S GUARANTEED STATE RYS. CO., "LD."

No. 2232 W.

November, 27th, 1889.

To

THE CONSULTING ENGINEER FOR RAILWAYS,

Madras.

Sir,

I am instructed by my Board of Directors to suggest that the terms and conditions upon which my Company shall work the Bezvada Extension Line should be embodied in a letter, instead of in a lengthy and complicated Agreement. With this object in view, I am desirous to submit the following, which appears to me to include all that is necessary to shew the mutual obligations of the Government of India and my Company.

1. The Company will work the Bezvada Extension Railway as a portion of its own line, and will run such trains over the Extension as the traffic may require, but not less than one train each way each day. The number of trains to be run, and the time-tables, shall, from time to time, be fixed by the Company.
2. The fares charged on the Bezvada Extension Railway shall be the same as those from time to time in force on H. H. the Nizam's State Railway, and the rates for goods of all classes and descriptions, for the public, for the Government, and for Revenue and Capital purposes, or for other Railways, shall, during the continuance of this Agreement, be the same as those in force on the Company's lines.
3. All services for the Post Office, the Military Department, the Police Department, or any other Department of the State, or for high officials, including in such service the conveyance of Post Office servants when on duty, of troops, and sailors, Military and Naval Establishments, horses, and other animals used for military purposes, guns, military stores and equipments, conveyance of Police, or persons employed in the Telegraph service, prisoners and paupers,—shall be performed by the Company on the same terms as those in force on the Nizam's State Railway. In the event of war, or other national emergency, the Company will give precedence over the amalgamated undertaking to all traffic of the Government of India.
4. The Company will agree to work the Bezvada Extension Railway, (maintenance and renewals of Way, Works, and Stations excepted), for the same percentage of the Gross Earnings of the State Railway as shall, in each half-year, be found to represent the percentage of working expenses on Gross Earnings on the amalgamated undertaking. That is to say, that whereas it appears that for the



half-year ending 30th June 1889 the Working Expenses of the amalgamated undertaking, exclusive of maintenance and renewals of Way, Works, and Stations, amounted to 35.70 %, for that half-year the same percentage of the Gross Earnings of the Bezvada Extension Railway shall be taken as representing the Working Expenses of that Railway. And in each subsequent half-year, the ascertained percentage of Working Expenses on Gross Earnings of the amalgamated undertaking shall be taken as being the percentage of Working Expenses to Gross Revenue chargeable to the Bezvada Extension Railway.

5. The Company will, if desired by Government, furnish the Government at the beginning of each half-year, or as soon thereafter as may be possible, with an estimate of the probable Gross Earnings of the amalgamated undertaking, and of the working expenses. But the Government is to accept the figures of the Company's Working Expenses as set forth in the Company's half-yearly audited and published Accounts, and is not to claim the right to go behind these Accounts, or to examine the Company's own books and papers.

6. The Company will, at the beginning of each half-year furnish to the Government an estimate of the probable costs of maintenance and renewals of Way, Works and Stations on the Bezvada Extension Railway, and the Government shall sanction that estimate, if it be approved, and provide the funds necessary. The Company will agree to maintain the line and all the works in an efficient and proper condition, and to the satisfaction of the Inspecting Officer of the Government of India, appointed to inspect the lines of the amalgamated undertaking, and will, if called upon by that Officer, carry out any works, repairs or improvements chargeable to Revenue, which he shall require to be done, so that the line, stations, buildings, plant and machinery, may at all times be maintained in good working condition and repair.

7. Should it appear to the Government, to the Company, or to the Inspecting Officer, that any new works, or any additions to stations, buildings, plant or machinery, are necessary, which would constitute a Capital Charge, then the Company shall submit an estimate for the carrying out of the same to the Government, for its sanction, and when sanctioned, these works shall be carried out by the Company, to the satisfaction of the Government, who will provide the funds for the same.

8. The Company will keep the Extension Railway equipped with Rolling Stock of all descriptions, and the Government, as a consideration to the Company for so doing, shall pay the Company in each half-year, a sum equal to 5 % on the Gross Earnings of the Bezvada Extension Railway for that half-year.

9. The Company agrees, as soon after the 30th June and 31st December as possible in each year, to render to the Government the Accounts of Capital and Revenue Expenditure, made up in the same form as those in which the Company's own Accounts are prepared, and the separate books of the Company showing the transactions of the Bezvada Extension Railway, together with all vouchers, papers and correspondence, directly belonging thereto, shall be subject to audit and

inspection by any officer whom the Government of India may appoint for that purpose, and after three months have elapsed from the date of the certifying by the auditing officer that the Accounts are correct, they shall be regarded as final between the Government and the Company, subject to the correction of any error which may be afterwards discovered, and which error shall be rectified in the Accounts of the following half-year. Nothing in this paragraph, however, shall be interpreted as meaning that the Government shall have any right to audit or examine the Company's own Accounts, the Government agreeing to accept the items of Working Expenses as set forth in the Company's audited and printed Accounts. The Company will also keep all such accounts relating to the State Railway and all such accounts as between the Company and the Secretary of State as the Secretary of State may from time to time require and will keep the accounts relating to the Capital expenditure and the gross receipts of the State Railway separate and distinct from the accounts relating to the Nizam's Guaranteed State Railway. Such accounts will be kept in such form and under such heads or divisions and for such sections of the State Railway and for such periods and with such details and shall be submitted to the Secretary of State at such times as he may from time to time prescribe.

10. The distribution of charges between Capital and Revenue shall be made by the Company in accordance with the principles laid down in clauses 28 and 33 of the Agreement dated 23rd December 1883 between the Government of H. H. the Nizam and the Company.

11. The sum representing the Net Earnings of the line shall, as soon as they have been ascertained, be paid over to the Government, or into any treasury into which the Government may direct them to be paid.

12. The appointment of the staff employed in working the Extension Railway, shall be made by the Company.

13. The Telegraphs on the Bezvada Extension Railway shall be worked by the Company on the same terms and conditions as those on which the Telegraph is worked on the Company's own line.

14. The number, pay, and constitution of the Police Force shall form matter of agreement between the Government and the Company, and shall, as far as possible, be placed upon the same or a similar footing to that existing on the Company's line, and the lines of the Great Indian Peninsula and Madras Railways, passing through the territories of H. H. the Nizam. The Company will meet seven-tenths of the agreed cost of Police, which shall be charged to Abstract E, General Charges, of the amalgamated undertaking, and the Government shall itself pay the remaining three-tenths.

15. All losses arising from accidents, or from loss or damage to goods carried over the amalgamated undertaking, (excepting such loss from damage, the making good or the repairs of which would form a charge against Maintenance), shall be borne by the Revenue of the amalgamated undertaking, and charged off from half-year to half-year, to Abstract G, that is to say, Special and Miscellaneous Expenditure.



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174024  
16. In the event of any further lands being required for purposes of the Bezvada Extension Railway, the Company shall apply to the Government of India for the same, and if satisfied that the acquisition of such land is necessary, the Government of India will, at its own cost, hand over the same to the Company for the purposes of the Bezvada Extension Railway. The land so handed over shall remain the property of the Government.

17. The Agent of the Company in India shall, on the requisition of the Director General of Railways, issue such free passes over the Bezvada Extension Railway as are in accordance with the rules for the issue of free passes over the Company's lines, which rules are at present the same as those in force on the Indian State Railways.

18. This Agreement between the Government and the Company shall be in force till the 1st January 1891, and shall continue in force after that date, but subject to its termination by either party by six months' notice in writing, to be given at the end of any half-year. If the Government or the Company resolves to terminate the Agreement on the 1st January 1891, then notice shall be given on or before the 1st July 1890.

19. All communications made to the Company shall be sent to the Agent of the Company in Secunderabad, and all communications from the Company to the Government of India shall be submitted to the Consulting Engineer for Railways, Madras, through the Resident of the Government of India in the Hyderabad State.

20. Should any differences arise between the Government and the Company, regarding the construction of the foregoing Agreement, the matter in dispute shall be referred to two arbitrators, in India, one to be chosen by each party or in case of difference between them, to an umpire they may select, and the decision given by such arbitrators or umpire shall be binding upon both parties, and such decision may be made a rule in the High Court of Judicature in Bombay.

I have the honor to be,

Sir,

Your most obedient servant,

*P. W. D.*  
Agent and Manager

FORM No. 1.

PUBLIC WORKS DEPARTMENT.

267 147  
OFFICE OF CONSULTING ENGINEER FOR RAILWAYS,  
Madras, 7<sup>th</sup> March 1890.

Letter from the Agent and Manager,  
H. H. the Nizam's Guaranteed State  
Railway, No. 373 W, dated 1<sup>st</sup> March  
1890, with enclosure.

No. 164

SUBMITTED \_\_\_\_\_ to \_\_\_\_\_ Government,

with reference to P. W. D.  
Endorsement No. 818 C,  
dated 13<sup>th</sup> February 1890  
(herewith returned).

*Sidney Smith*

*Superd.*

for consg: Engr. for Rys.



- No 1022C4/26-2-90
- " 818C - 13-2-90
- " 153R - 27-1-90
- " 1434-5R - 24-12-89
- " 5703C - 5-12-89
- " 424R - 16-4-89
- " 1117R - 18-10-89
- " 883R - 14-8-89
- " 318-9R - 22-3-89
- " 41R - 15-1-89
- " 20R - 11-1-89
- " 5261C - 28-12-88
- A
- " 1103 R - 21-12-88
- A
- " 1058R - 7-12-88
- " 958-9R - 12-11-88
- " 883-4R - 25-10-88
- " 630R - 3-8-88
- " 459-60R - 4-6-88



From

THE CONSULTING ENGINEER  
FOR RAILWAYS,

MADRAS,

No. 164p

Dated 7<sup>th</sup>

Received 8

March 1890.

No. of ENCLOSURES. 3

*Subject.*  
N<sup>o</sup> 369-70 R of 15<sup>th</sup> March 1890.  
Letter from the Agent and  
Manager, H. H. the Nizam's  
Gds St Rys, offering explana-  
-tions on certain points anim-  
-adverted by the Government  
of India in the draft working  
Agreement of the Bezvada  
Extension Railway submitted  
by the Agent.

N<sup>o</sup> 369 R of 15<sup>th</sup> March 1890

Ordered to be  
forwarded to the Govt. of  
India with reference to  
its letter no. 2178 R. I.

dated 1<sup>st</sup> February 1890.H. E. no 340 R of 15<sup>th</sup> March 1890.

Forwarded

C. L. S.  
10.3.90

R.

C. L. S.

erc 16/3

erc 16/3

All communications  
should be addressed  
to the Secretary.GOVERNMENT  
PUBLIC WORKS  
RAILWAY

53 R. I.

OF INDIA.

DEPARTMENT.

Traffic

To

The Joint Secretary to the  
Government of Madras.  
(Railway Branch). Public Works Dept.

Sindia, the 14<sup>th</sup> April 18,

Sir,

With reference to your N<sup>o</sup> 370  
dated the 15<sup>th</sup> March 1890, forwarding  
a letter N<sup>o</sup> 2232h dated the 27<sup>th</sup>  
November 1889 from the Agent and  
Manager, His Highness the Nizam's  
Guaranteed State Railways Company,  
containing revised terms for the working  
of the Bezvada Extension Railway  
by the former line, I am directed

to say



PAC N-384

to say that the Government of India  
is pleased to agree to the terms  
as contained in the agents printed  
letter N<sup>o</sup> 2232 h dated November 27<sup>th</sup>  
1889.

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

1922.4.9

~~Major R.E.~~  
Under Secretary

Documents accompanying  
Nil

- 12459.60 R. 4.6.88.
- 630 R. 3.8.88.
- 883.4 R. 27.10.88
- 958.7 R. 12.11.88
- 1058 R. 7.12.88
- 1103 R. 21.12.88
- 5261 C. 28.12.88
- 20 R. 11.1.89
- 41 R. 15.1.89
- 318.19 R. 22.2.89
- 882 R. 14.3.89
- 1117 R. 18.10.89
- 5284 C. 13.11.89
- 1434.35 R. 24.12.89
- 812 C. 13.2.90.
- 369.70.15.3.90.
- 1022 C. 26.2.90
- 5703 C. 5.12.89.

H.C.  
Letter

14/9

Please send this  
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before sending it to the  
Press.

Dr.  
20/4

Sent to D.R. 30/4/90



November 27<sup>th</sup>

D. R

Sw

Ms. R of 27/4/90

157

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is submitted for your ap-  
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PROCEEDINGS

DER date the 28<sup>th</sup> April,

again  
READ the following

Progs: of the Indian  
Govt: P. W. Depto: —

No. 883 R of 14<sup>th</sup> August 1889

— J<sup>o</sup> — J<sup>o</sup> —

1117 R of 18<sup>th</sup> Oct. 1889

— J<sup>o</sup> — J<sup>o</sup> —

1434-35 R of 24<sup>th</sup> Decr 89

— J<sup>o</sup> — J<sup>o</sup> —

69-70 R of 15<sup>th</sup> March 90

also the following: —

Letter from the Govt: of  
India P. W. Depto: —

No. 53 R.T. of 14<sup>th</sup> April 1890

Communicated to

the sitting Engineer for

the same with reference to

endorsements as under:

578 dated 19<sup>th</sup> Decr. 1889

— 7<sup>th</sup> March 1890

Amem

25.4.90

W. P. R

To the Commr. Engrs for P.W.D. 17/5  
Judicial Deptt.  
Exr. P. W. Deptt. Hyderabad



4

No 576 R 27-28 April 190

No 25/4/50. R 28. 4. 90



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D.O. 28 April 1890

Reynada C. C. C.

Letter from the  
Agency to the  
of the Agent & M.  
H. H. the Indian  
State Res Camp  
for the working of  
Cannons to  
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100/5