



CHAPTER ccvi.

An Act to provide for the vesting of the Undertaking of the East Indian Railway Company in the Secretary of State in Council of India; and for other purposes. A.D. 1879.

[11th August 1879.]

WHEREAS by an indenture dated the ninth day of April one thousand eight hundred and forty-seven (which indenture is in this Act called the deed of settlement), the several persons parties thereto of the first part formed themselves into a company under the name of "the East Indian Railway Company," in this Act called the Company, for the purpose, amongst other things, of making, acquiring, and working railways in India; and it was by the deed of settlement provided that the capital of the Company should, in the first instance, consist of the sum of four million pounds sterling, and that the said capital might, upon the happening of certain events, and upon, under, and subject to the terms and conditions and in manner therein mentioned and provided, be raised to a sum not exceeding twenty million pounds sterling; and the Company were authorised to borrow to an extent not exceeding three million pounds sterling, and the deed of settlement contained other provisions for the regulation of the Company and the business thereof:

And whereas by an Act passed in the thirteenth year of Her present Majesty, and intituled "An Act for incorporating the East Indian Railway Company, and for other purposes connected therewith," in this Act called the Act of 1849; the shareholders in the Company were incorporated under the name of "the East Indian Railway Company" for the purpose of making and constructing, working, and maintaining such railway or railways in the East Indies, including all necessary, accessory, or convenient extensions, branches, stocks, and works as might be agreed upon by the Company and the East India Company; and it was further enacted that, subject as therein mentioned, the Company should be

A.D. 1879. regulated by the deed of settlement, and the Company was authorised to enter into and conclude with the East India Company on account of the Government of India such contracts, agreements, and arrangements as the respective parties might think fit and agree upon for making any railway or railways in India, and any telegraphs connected therewith, and for such other purposes as therein mentioned:

And whereas by an indenture dated the seventeenth day of August one thousand eight hundred and forty-nine, and made between the East India Company of the one part, and the Company of the other part, and in this Act called the contract of 1849, it was, amongst other things, agreed that the Company should construct and open an experimental line of railway, to commence at or near Calcutta, in a direction to be determined by the East India Company, at an estimated cost of one million pounds sterling or thereabouts; and the said contract contained provisions for the payment by the Company to the East India Company for the purposes of the works of the sum of one million sterling, and of such further sums, if any, as might be required for the completion of the said experimental line of railway, and for the payment to the Company by the East India Company of interest on the sum expended in completing the said line of railway, and for the management thereof by the Company; and the said contract also contained a provision that upon the completion of the whole of the experimental line of railway the East India Company should and would grant to the Company a lease or otherwise secure to them a right and title to the land which should have been provided under the provisions of the said contract, or of so much thereof as should have been required for the completed line, for a term of ninety-nine years from the day of the date of the said contract, unless the same should be sooner determined in manner therein provided; and the said contract contained a provision for the purchase by the East India Company of the said railway and works, together with the telegraphs (if any) and the engines, carriages, stock, plant, and machinery belonging thereto, at certain times, and upon, under, and subject to certain terms and conditions therein-after contained:

And whereas the Company have constructed the said experimental railway, and the same is now being worked by them as part of their undertaking:

16 & 17 Vict.
c. ccxxvi. And whereas by an Act passed in the seventeenth year of Her present Majesty, and intituled "An Act to amend an Act intituled " "An Act for incorporating the East Indian Railway Company,

“ “ and for other purposes connected therewith,”” in this Act called the Act of 1853, the Company was authorised to enter into and conclude with the East India Company such contracts, agreements, and arrangements as the respective parties might think fit and agree upon for the extension of the said experimental line to Delhi or Lahore, or elsewhere, and certain other provisions relating to the Company were thereby made :

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And whereas by an indenture dated the fifteenth day of February one thousand eight hundred and fifty-four, and made between the East India Company of the one part, and the Company of the other part, in this Act called the contract of 1854, it was, among other things, agreed that the Company should construct and open an extension line of railway, to commence at some point on the said experimental line to be determined by the Government of India, and to proceed to Delhi, at an estimated cost of nine millions sterling or thereabouts; and the said contract contained a provision for the payment to the Company by the East India Company of interest on the sums expended in completing the said extension line of railway, and a further provision that upon the completion thereof, or of any part or parts thereof as therein mentioned, the East India Company should and would grant to the railway Company a lease of or otherwise secure to them a right and title to the land which should have been provided under the provisions of the herein-before recited contract of 1849, and under the provisions of the contract now in recital, or of so much thereof as should have been required for the completed line, and for the works and conveniences thereto belonging, for a term of ninety-nine years, commencing from the day of the date of the contract now in recital, unless the same should be sooner determined in manner therein-after provided; and the said contract contained a provision that at any time within six calendar months after the expiration of the first twenty-five years of the said term of ninety-nine years, that is to say, on or after the fifteenth day of February one thousand eight hundred and seventy-nine, or at any time within six calendar months after the expiration of the first fifty years of the same term, it should be lawful for the East India Company to give notice to the Company in London and at Calcutta of their intention to purchase the said railway and works, together with the telegraphs (if any) and the engines, carriages, stock, plant, and machinery belonging thereto, but subject to such debts and liabilities (if any) as might have been incurred to the East India Company (exclusive of any arrears of interest on the capital of the Company which should have been paid by the East India

A.D. 1879. Company, either under the conditions of the contract of 1849, or under the conditions of the contract now in recital, and which should be still due), or to any person or persons with the sanction of the East India Company, and to interest on such of the said debts as should carry interest, from the day on which they should take possession of the said railway, but not from any earlier time, and that thereupon at the half-yearly day next but one following such notice the land already provided or to be provided as before mentioned in the contract now in recital, with the railway thereon, and all buildings, works, fixed machinery, telegraphs, and conveniences whatsoever, should revert to and become the property of the East India Company as the owners thereof by purchase, on account of the Government of India, and that in case any lands in Great Britain should be then held by the Company for the purpose of their business the same should be sold and the clear moneys to be produced by such sale should be paid to the East India Company, and that the Company should at the same time deliver to the East India Company the engines, carriages, stock, plant, and machinery belonging to the said railway and works, and all plans, surveys, sections, books, printings, writings, and documents whatsoever in anywise connected with the undertaking and affairs of the Company, and that the East India Company should be bound to pay in London, on the said half-yearly day, for the purchase of all the same premises, the full amount of the value of all the shares or capital stock in the Company issued or created for the purposes of the contract of 1849 and of the contract now in recital, calculated according to the mean market value in London of such shares or stock respectively during the three years immediately preceding the expiration of the said period of twenty-five years, that is to say, the fifteenth of February one thousand eight hundred and seventy-nine, or the said period of fifty years, as the case might be, and should also be bound to indemnify the Company against all such debts and liabilities (if any) as they might have incurred to or with the sanction of the East India Company and as should be then subsisting, and that thereupon the covenants for payment of interest in the contract of 1849 and in the contract now in recital before contained should cease; and the said contract contained a further provision that in every or any case in which, under the provision for that purpose therein contained, the East India Company should become bound to repay the capital expended by the Company, or in which the East India Company should become liable to pay for the purchase of the said railway works and stocks before the expiration of the term of ninety-nine years in the

contract now in recital before mentioned, it should be lawful for the East India Company, instead of paying a gross sum of money in respect of the premises, to declare, by notice to the Company in London, their option to pay an annuity, to be reckoned from the time when the gross amount would be payable, and to continue during the residue of the said term of ninety-nine years therein-before referred to, and that in that case such annuity should be payable in London on such two half-yearly days in the year as should be selected by the East India Company in that behalf, with a fractional part for any broken half year, and that the rate of interest which should be used in calculating such annuity should be determined by the average rate of interest during the preceding two years received in London upon public obligations of the East India Company to be ascertained as therein provided :

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And whereas the Company have constructed the said extension railway, and the same is now being worked by them as part of their undertaking :

An whereas by an Act passed in the eighteenth year of Her present Majesty, and intituled "An Act to enable the East Indian Railway Company to issue and register shares and securities in India, and for other purposes in relation to such Company," herein-after called the Act of 1855, the Company was authorised to establish in India an office or offices for the issue, registration, and transfer of shares, stock, and securities of the Company ; and by the said Act provision was made for the transfer of shares, stock, and securities from one register to another :

18 & 19 Vict.
c. xxxviii.

And whereas the Company did establish an office for the issue, registration, and transfer of shares, stock, and securities at Calcutta, and there are now standing in the books in the said registry at Calcutta the names of divers persons as and being the holders of stock of the Company, and it is expedient to make further provision relating thereto :

And whereas by an Act passed in the twentieth year of Her present Majesty, intituled "An Act to amend the Acts relating to the East Indian Railway Company," in this Act called the Act of 1856, further provisions were made relating to the Company :

19 & 20 Vict.
c. cxxi.

And whereas by an indenture dated the twenty-first day of April one thousand eight hundred and fifty-eight and made between the East India Company of the one part, and the Company of the other part, in this Act called the contract of 1858, it was agreed that the Company should make and maintain a distinct line of railway from a point on the said extension line to a point at or near Jubbulpore,

A.D. 1879. at a cost of two million pounds sterling; and the said contract contained a provision for the payment to the Company by the East India Company of interest on the sums expended in completing the said line of railway, and a further provision that, on completion thereof, or any part or parts thereof, as therein mentioned, the East India Company should and would grant to the Company a lease of or otherwise secure to them a right and title to the land which should have been provided under the provisions of the contract now in recital, or of so much thereof as should have been required for the completed line, and for the works and conveniences thereto belonging, for a term of ninety-nine years, commencing from the day of the date of the contract now in recital, unless the same should be sooner determined in manner therein-after provided; and the said contract contained a provision for the purchase of the undertaking of the Company by the East India Company, upon their giving notice within six calendar months after the expiration of the first twenty-five years of the said term of ninety-nine years, that is to say, on or after the twenty-first day of April one thousand eight hundred and eighty-three, or within six calendar months after the expiration of the first fifty years of the said term, upon, under, and subject to certain terms and conditions therein contained, which said terms and conditions are the same as those contained in the contract of 1854; and the said contract contained a provision that, in the event of the East India Company becoming the purchasers of the undertaking of the Company, under the provisions in that behalf lastly herein-before recited or mentioned, it should be lawful for the East India Company to pay for all the said premises by way of annuity, instead of paying a gross sum of money, upon, under, and subject to certain terms and conditions therein contained, which said terms and conditions are the same as those contained in the contract of 1854, and herein-before recited with reference to the annuity payable under that contract; and the said contract contained a further provision that the said line of railway, the subject of the contract now in recital, should be in all respects a separate and distinct railway from the experimental and extension railways which are the subjects of the contracts of 1849 and 1854 respectively; and the said contract contained other provisions relating to the management of the said railway:

And whereas the Company have constructed the said railway to Jubbulpore, and the same is now being worked by them as part of their undertaking:

21 & 22 Vict. And whereas by an Act passed in the twenty-second year of Her
c. 106. present Majesty, intituled "An Act for the better government of

“ India,” the government of the territories then in the possession and under the government of the East India Company was transferred to Her Majesty : A.D. 1879.

And whereas since the passing of the last-recited Act there has been appointed a fifth Secretary of State by the name of the Secretary of State in Council of India, in this Act called the Secretary of State, and he thereupon became and now is the person to enter into contracts on behalf of the Government of India, and is liable to be sued in respect of contracts made by the East India Company on account of the Government of India :

And whereas by an Act passed in the twenty-eighth year of Her present Majesty, and intituled “ An Act to amend the Acts relating to the East Indian Railway Company, and to authorise the Company to raise further capital, and for other purposes connected with their undertaking,” in this Act called the Act of 1864, the Company was authorised, in manner therein provided, to increase the capital of the Company by an amount not exceeding seven million pounds; and by the said Act now in recital the Company was further authorised, with the sanction and approval of the Secretary of State, from time to time to borrow, in manner therein provided, any sums not exceeding in the whole two million three hundred and thirty-three thousand pounds; and by the said Act now in recital the Company was authorised, in manner and upon, under, and subject to the terms and conditions therein contained, to issue debentures; and by the said Act now in recital the Company was further authorised to refuse to issue or register any shares, stock, or securities at the office for registry established at Calcutta, and to refuse to permit the transfer thereto of any shares, stock, or securities then being on the register in London, and provision was further made in certain events for the closing of the said register; and by the said Act now in recital the Company was authorised to enter into and conclude with the Secretary of State such contracts, agreements, and arrangements as the respective parties might think fit and agree upon for the construction of deviation or auxiliary lines, or of other lines connected with the then existing line; and by the said Act now in recital the Company was authorised to establish provident institutions and savings banks at Calcutta and other places, and to receive by way of deposit from any of the officers, servants, workmen, or apprentices of the Company, or any members of their families, any sum or sums of money at interest; and it was by the said Act now in recital enacted that all and every such deposit, with the interest due thereon, should be a charge upon the tolls, undertaking, lands, and tenements of the

A.D. 1879. Company next in order and priority after any moneys they might at any time be authorised to borrow, and after any then present or future debentures of the Company; and the said Act now in recital contained further provisions for the management of the said provident institutions and savings banks, and for the making by the Company of rules for the government of the same, and for the approval of such rules by the Governor-General for the time being of India; and whereas the Company did establish a provident institution and savings bank at Calcutta, and there are now standing on the books of the said provident institution and savings bank the names of divers persons as contributors thereto and depositors therein respectively, who are entitled to all the benefits of the said provident institution and savings bank respectively, and it is expedient to make further provision with respect to the same:

31 & 32 Vict.
c. 26.

And whereas by an Act passed in the thirty-second year of Her present Majesty, and intituled "An Act to enable certain guaranteed Indian Railway Companies to raise money on debenture stock," it was provided that it should be lawful for the Company (amongst other railway companies) from time to time, with the sanction of the Secretary of State, and upon, under, and subject to certain terms and conditions therein contained, to raise all or any part of the money which for the time being the Company had raised or was authorised to raise on mortgage or bond by the creation and issue, in manner therein prescribed, of stock, to be called debenture stock, instead of and to the same amount as the whole or any part of the money which might for the time being be owing by the Company on mortgage or bond, or which the Company might from time to time have power to raise on mortgage or bond, and in manner therein prescribed to attach interest to the said debenture stock; and by the said Act it was further provided that the said debenture stock, with the interest thereon, should be a charge upon the undertaking of the Company prior to all other stock or shares of the Company, and that the interest on the said debenture stock should have priority of payment over all dividends or interests on any other stock or shares of the Company, and should rank next to the interest payable on the mortgages or bonds for the time being of the Company legally granted before the creation of such stock; and the said Act now in recital contained other provisions for regulating the said debenture stock:

And whereas by an indenture dated the twenty-third day of April one thousand eight hundred and seventy-five, and made between the Secretary of State of the one part and the Company of the other part, after reciting that the Secretary of State had on the twenty-

ninth day of October one thousand eight hundred and seventy, at the request of the Company, sanctioned the creation and issue by the Company of the sum of one million five hundred thousand pounds irredeemable debenture stock, bearing interest at four pounds ten shillings per centum per annum, to be guaranteed by him, and that such sum of one million five hundred thousand pounds irredeemable debenture stock had accordingly been created and issued by the Company, the Secretary of State covenanted and agreed with the Company for the payment by him, at all times when due, of the interest on the said sum of one million five hundred thousand pounds debenture stock; and it was by the said contract now in recital further agreed that the said sum of one million five hundred thousand pounds debenture stock should not, in the event of the Secretary of State resuming possession of the undertaking of the Company under the provisions of the contracts of 1849, 1854, and 1858 respectively, be considered capital; and it was further provided that in any such event as last herein-before mentioned, the Secretary of State should, from the time of possession being taken, be deemed to succeed to and stand in the place of the Company in their liability on the said debenture stock, and that from such time the Company and its capital and effects should be absolutely discharged to all intents and purposes from all liability to the holders thereof, or to the Secretary of State, or otherwise on or in respect of the said debenture stock, as well in relation to principal as to interest, whether past or future:

And whereas by an indenture dated the ninth day of December one thousand eight hundred and seventy-five, and made between the Secretary of State of the one part and the Company of the other part, after reciting that the Secretary of State had sanctioned the raising by the Company of the sum of one million pounds by the issue of inconvertible debentures, it was agreed that the Secretary of State would from time to time, as often as and when the interest payable in respect of the debentures representing the said sum of one million pounds should become due, pay the amount of such interest, and would on the day in the said debentures respectively mentioned for the repayment of the principal sums secured thereby pay the amount thereof in manner therein provided, and that the Secretary of State should and would at all times thereafter indemnify the Company and their lands, tenements, goods, chattels, and effects of, from, and against all actions, suits, losses, charges, damages, and expenses whatsoever by reason or in consequence of the said debentures; and it was further agreed that in case the Secretary of State should pay any principal sums sanctioned by

A.D. 1879. any of the debentures representing the said sum of one million pounds, or any portion thereof, such payment should create a permanent debt of the Company to the Secretary of State for the aggregate amount of the moneys so paid, and that such debt should, on the Secretary of State taking or recovering possession of the railway in any of the modes provided by the contracts of 1854 and 1858, be treated and dealt with as other debts of the Company incurred to or with the sanction of the Secretary of State would in such cases respectively be treated and dealt with, but that the Secretary of State should not be entitled at any time to enforce the actual payment by the Company of any principal sums so paid off :

And whereas by an indenture dated the twenty-fifth day of February one thousand eight hundred and seventy-eight, and made between the Secretary of State of the one part and the Company of the other part, after reciting that the Secretary of State had sanctioned the raising by the Company of the sum of one million two hundred and seventy-nine thousand eight hundred and fifty pounds by the issue of inconvertible debentures, and that the said sum of one million two hundred and seventy-nine thousand eight hundred and fifty pounds had been so raised, and after further reciting that the Secretary of State had on the twenty-ninth day of September one thousand eight hundred and seventy-seven authorised the Company to raise a further sum of two hundred and thirty thousand one hundred and fifty pounds by the issue of debentures, it was agreed that the Secretary of State would from time to time, as often as and when the interest payable in respect of the debentures representing the said sum of one million two hundred and seventy-nine thousand eight hundred and fifty pounds, or in respect of the said sum of two hundred and thirty thousand one hundred and fifty pounds, and so as duly to provide for the payment of such interest, pay out of the revenues of India the amount of such interest as in the contract in recital mentioned, and would on the days in the said debentures respectively mentioned for the payment of the principal sums secured thereby pay out of the revenues of India the amount of the principal sums payable on such days, and that the Secretary of State would at all times thereafter, at the costs and charges of the Secretary of State, to be defrayed out of the revenues of India, well and sufficiently protect, save harmless, and keep indemnified the Company and their lands, tenements, goods, chattels, and effects of, from, and against all actions, suits, losses, costs, charges, damages, and expenses whatsoever which they should or might suffer, expend, or be put unto, or

which should or might be commenced, instituted, sued, or prosecuted against them by reason or in consequence of the said debentures or any of them; and it was further agreed that in case the Secretary of State should pay any principal moneys secured by any of the debentures representing the said sum of one million two hundred and seventy-nine thousand eight hundred and fifty pounds, and two hundred and thirty thousand one hundred and fifty pounds, or either of them, or any portion thereof respectively, such payment should create a permanent debt of the Company to the Secretary of State for the aggregate amount of the moneys so paid; and that such debt should, on the Secretary of State taking or recovering possession of the railway in any of the modes provided by the contract of 1854, be treated and dealt with as other debts of the Company incurred to or with the sanction of the Secretary of State would in such cases respectively be treated and dealt with; but that the Secretary of State should not be entitled at any time to enforce the actual payment by the Company of any principal moneys so paid off:

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And whereas by an indenture dated the thirteenth day of May one thousand eight hundred and seventy-eight, and made between the Secretary of State of the one part and the Company of the other part, after reciting that the Secretary of State had sanctioned the raising by the Company of the sum of four hundred and forty thousand pounds by the issue of inconvertible debentures, the Secretary of State entered into covenants with the Company in respect of the debentures issued in respect of the said sum of four hundred and forty thousand pounds similar to those contained in the herein-before recited contract of the twenty-fifth day of February, one thousand eight hundred and seventy-eight, and herein-before recited:

And whereas the said several Acts in this Act recited, the Act of 1849, the Act of 1853, the Act of 1855, the Act of 1856, and the Act of 1864, comprise all the Acts relating to the Company:

And whereas the aggregate amount of capital which has been authorised, under and by virtue of the deed of settlement and the Acts of 1849 and 1864 respectively, to be raised by the Company for the purposes of their undertaking by the issue of shares or stock, or of debentures convertible into shares or stock, amounts to twenty-seven million pounds, and of that amount the sum of twenty-six million two hundred thousand pounds has been raised and has been consolidated into capital stock of the Company:

And whereas the Company have, with the sanction of the Secretary of State, borrowed the aggregate sum of four million four hundred and fifty thousand pounds partly by the issue of redeem-

A.D. 1879. able debentures and partly by the issue of irredeemable debenture stock, upon which the Secretary of State has guaranteed the payment of interest, and also the principal moneys due on such debentures :

And whereas the period is approaching when the Secretary of State may, under the twenty-second clause of the contract of 1854, exercise his right to purchase the railways constructed under the provisions of that contract and the contract of 1849 respectively, but such right of purchase under the twenty-second clause of the contract of 1858 as to the railway constructed under the provisions of that contract will not accrue until the fifteenth day of April one thousand eight hundred and eighty-three :

And whereas the following proposals have been made by the Secretary of State :

“ SIR, India Office, S.W., November 1st, 1878.

“ The board of directors of the East Indian Railway Com-
“ pany are aware that the period is approaching when,
“ under the terms of the contracts between the East India
“ Company and the East Indian Railway Company, of
“ 17th August 1849 and 15th February 1854, the Secre-
“ tary of State for India in Council may give notice of his
“ intention to purchase the railway and works described
“ in clauses 23 and 22 of those contracts respectively.

“ Under the terms of the contract dated 21st April 1858, the
“ Secretary of State in Council, as the board are likewise
“ aware, has no such power in regard to the Jubbulpore
“ Line until after twenty-five years from that date.

“ Being satisfied with the manner in which the affairs of the
“ East Indian Railway have been administered under the
“ direction of the Company, the Secretary of State desires
“ to continue a system of management of the same kind,
“ but so as to secure to the State a larger share in the
“ profits of the undertaking than it receives through the
“ operation of the present contract.

“ With this view, while prepared strictly to adhere to the
“ terms of the contracts, in respect of the mode of pur-
“ chase, the Secretary of State, before formally giving
“ notice, desires to open a negotiation with the Company
“ for the simultaneous purchase of the Jubbulpore Line,
“ and for working the whole undertaking under the
“ control of Government.

“ I enclose a memorandum of the terms on which the Secre-
“ tary of State in Council will be ready to enter into a

“ new agreement with the Company for these purposes, A.D. 1879.
“ and which he desires to submit for their consideration.

“ I have the honour to be, Sir,

“ Your obedient servant,

“ (Signed) LOUIS MALLET.

“ R. W. Crawford, Esq., Chairman,
“ East Indian Railway Company.”

“ MEMORANDUM OF TERMS.

- “ 1. That the purchase be made by means of an annuity ter-
“ minable on the 14th of February 1953, calculated on a
“ rate of interest of 4*l.* 6*s.* per cent. on a commuted price
“ of 125*l.* per 100*l.* of capital stock, which gives, in-
“ cluding 4*s.* for redemption of capital, an annuity of
“ 5*l.* 12*s.* 6*d.* for each 100*l.* of capital stock so commuted
“ at 125*l.* But that the shareholders be allowed an
“ option of leaving in the hands of the Government, for
“ the purposes hereafter mentioned, a proportion, not
“ exceeding one fifth of the commuted value of the
“ capital stock of the Company.
- “ 2. The existing contracts to cease and determine on
“ 31st December 1879, and the annuity to accrue from
“ 1st January 1880.
- “ 3. The Secretary of State to enter into a new contract with
“ the Company for the future working and management
“ of the line for a term of fifty years, subject to termina-
“ tion at the end of the 20th, 25th, 30th, 35th, 40th, and
“ 45th years, on two years previous notice being given by
“ either party.
- “ 4. In order to provide the Company with a constituent body
“ for the purposes hereafter mentioned, and with a
“ capital in respect of which a share in future surplus
“ profits may be assessed, it is proposed that, out of the
“ capital sum payable to the Company, payment of one-
“ fifth part be suspended for such term as may be agreed
“ upon for the duration of such new contract; that is to
“ say, the holders of such capital shall be paid a minimum
“ rate of interest per annum, and shall participate in the
“ profits of the line, reverting, whenever the contract is
“ terminated, to the annuity described in clause 1, and
“ receiving the same for the remainder of the term for
“ which the annuity is granted, viz., till the 14th of
“ February 1953.

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- “ 5. The Secretary of State in Council shall pay, on the
“ amount of the stock of the Company thus commuted,
“ an annual interest of 4 per cent. in London.
- “ 6. In addition to the interest, the Company will be entitled
“ to one fifth of the surplus profits as herein-after defined,
“ payable in India, the same to be declared half-yearly.
- “ 7. The amount of net working profits having been ascertained
“ and declared, there will be deducted—
“ 1. Interest on the debenture bond debt :
“ 2. Interest on the debenture stock :
“ 3. The charge in respect of the annuity :
“ 4. The interest on the Company's capital :
“ 5. Contributions to provident fund :
“ 6. The interest on the value of stores in hand at
“ the end of each half year.
“ The balance then remaining to be the surplus
“ profits divisible between the Government and the Com-
“ pany, in the proportion stated ; viz.,
“ $\frac{4}{5}$ ths to be the share of the Government, and
“ $\frac{1}{5}$ th the share of the Company.
- “ 8. Application to be made to Parliament for an Act
“ declaring the capital of the Company, and for other
“ purposes necessary for carrying out the arrangement.
- “ 9. The Company will be contractors for the management
“ and working of the line.
- “ 10. The Company shall also be empowered to raise, by the
“ issue of debentures or debenture stock guaranteed by
“ the Government, any further sums which in the opinion
“ of Government may be required for any purposes con-
“ nected with the line, on terms which may be agreed
“ upon with the Secretary of State in Council.
- “ 11. The details of the future relations of the Secretary of
“ State in Council and the Company in this country, and
“ between the Government of India and the executive of
“ the Company in India, which will be founded mainly on
“ the arrangements made under the existing contracts,
“ will be determined when the contract is under con-
“ sideration.”

And whereas at a general meeting of the proprietors of the Company duly convened for that purpose, held on the nineteenth day of November one thousand eight hundred and seventy-eight, and adjourned to the twenty-ninth day of that month, the Company accepted the said proposals :

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And whereas in the said memorandum of terms the amount of the annuity of five pounds twelve shillings and sixpence into which every one hundred pounds stock of the Company is intended to be commuted at a price of one hundred and twenty-five pounds is calculated on the basis of five pounds seven shillings and sixpence, part thereof, being interest at the rate of four pounds six shillings per centum per annum on the said amount of one hundred and twenty-five pounds, and of a sum of five shillings, other part thereof, being the amount required to be set aside and invested half-yearly in every year at a like rate of interest from the first day of January one thousand eight hundred and eighty up to the fourteenth day of February one thousand nine hundred and fifty-three, in order to produce by means of a sinking fund the capital sum of one hundred and twenty-five pounds, or thereabouts, on the said fourteenth day of February one thousand nine hundred and fifty-three :

And whereas it is expedient to make provision for creating a sinking fund so as to enable the several holders of stock in the Company, on exchanging their stock for annuities, to hold, at their option, annuities with a sinking fund attached thereto, as well as annuities with no such sinking fund :

And whereas it is expedient to make provision for the registration and transfer of the said annuities, and to authorise trustees who now hold the stock of the Company to hold the annuities or some of them :

And whereas the Company now hold on lease for the purposes of their undertaking a house and certain premises in the city of London, and it is expedient that provision be made with respect thereto :

And whereas it is intended that the Company should, notwithstanding the purchase by the East India Government of the undertaking of the Company, continue to work and manage the same as contractors for and on behalf of the East India Government :

And whereas additional capital may be required for the purpose of making additions to the undertaking, of constructing new railways and providing the necessary rolling stock, and for other purposes, and it is expedient to make provisions as to the terms and conditions on which the same may be raised :

And whereas the Company are possessed of, or may be or become entitled to, the property mentioned in the schedule to this Act annexed, and such property does not form part of the undertaking or property intended to be purchased by and transferred

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A.D. 1879. to the Secretary of State under the provisions of this Act, and it is expedient to make provisions to enable the Company to deal therewith :

And whereas the said objects cannot be effected without the authority of Parliament :

May it therefore please Your Majesty that it may be enacted ; and be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :

Short title. 1. This Act may be cited as the East Indian Railway Company Purchase Act, 1879.

Interpreta-
tion of terms. 2. In this Act the several words and expressions to which meanings are assigned shall, unless there be something in the subject or context repugnant to such construction, have the following meaning :

The expression " the East Indian Railway " shall mean the railways and works of whatever description now forming the undertaking of the Company, together with any improvements, alterations, and additions of whatever description that may from time to time be made therein or thereto, by or with the sanction of the Secretary of State :

The expression " the board " shall mean the board of directors for the time being of the Company :

The expression " person " includes a corporation :

The expression " stock " includes shares.

Vesting un-
dertaking of
the Com-
pany in
Secretary
of State. 3. From and after the thirty-first day of December one thousand eight hundred and seventy-nine the undertaking of the Company, and all their estate, right, title, and interest therein, and all other the property of the Company, save and except the property mentioned in the schedule to this Act annexed, and save and except the interest of the Company in the profits of the undertaking for the half years ending the 30th day of June and the 31st day of December 1879 respectively, shall by virtue of this Act be transferred to and vest in the Secretary of State, subject to such debts and liabilities, if any, as have been incurred by the Company to the East India Company or to the Secretary of State, or to any person or persons, with the sanction of the East India Company or of the Secretary of State, and to interest on such of the said debts as carry interest ; and after that date the Secretary of State shall have no claim against the Company for or in respect of any sum or sums of money which shall have been at any time

advanced to the Company by way of interest on the capital of the Company by the East India Company or by the Secretary of State, under the contracts of 1849, 1854, and 1858 respectively, or any or either of them, or for or in respect of any sum or sums of money which shall have been at any time advanced to the Company by the East India Company or by the Secretary of State by way of interest on any debentures or debenture stock of the Company, or in respect of the principal sums secured by such debentures, or any of them, under the following contracts respectively, or any or either of them; that is to say, the contract of the 23rd day of April 1875, the contract of the 9th day of December 1875, the contract of the 25th day of February 1878, and the contract of the 13th day of May 1878. A.D. 1879.

4. From and after the thirty-first day of December one thousand eight hundred and seventy-nine the liability of the Company in respect of all their contracts, debts, engagements, and obligations affecting the Provident Institution and Savings Bank at Calcutta, established under the provisions of the Act of 1864, shall cease and determine, and the Secretary of State shall, as and from that date, become and be liable thereto to the same extent and effect as if such liability had been originally incurred by him and not by the Company, and may sue and be sued in respect of the matters aforesaid, or any of them, and shall and may exercise all such rights and do all such acts in respect of such Provident Institution and Savings Bank as might have been exercised and done by the Company before the passing of this Act. As to Provident Institution and Savings Bank.

5. From and after the thirty-first day of December one thousand eight hundred and seventy-nine all contracts between the East India Company or the Secretary of State respectively and the Company, and all the covenants and conditions therein contained, shall be at an end, save and except any contract made under or by virtue of the provisions of this Act and the following contracts; that is to say, the contracts of the 23rd day of April 1875, the 9th day of December 1875, the 25th day of February 1878, and the 13th day of May 1878, relating to the creation, issue, and guarantee of debentures and debenture stock respectively, all which last-mentioned contracts shall, subject to the provisions of this Act, remain in full force and be binding upon the parties thereto as if this Act had not been passed: Provided nevertheless that the profits of the undertaking for the half years ending the 30th day of June and the 31st day of December 1879 shall be applied in the manner in which they would have been applicable if this Act had not been passed. As to existing contracts.

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Secretary
of State
to indemnify
the Company
against ex-
isting debts.

6. From and after the 31st day of December 1879, the Secretary of State shall be bound to indemnify the Company against all such debts and liabilities, if any, as they may have incurred to or with the sanction of the East India Company or of the Secretary of State, save and except any debt or liability in respect of the unclaimed interest and dividends mentioned in the Schedule to this Act annexed: Provided that all charges properly payable out of revenue for the half years ending on the thirtieth day of June and the thirty-first day of December one thousand eight hundred and seventy-nine respectively shall be paid or provided for out of such revenue before any dividend shall be declared out of the surplus profits in respect of those half years respectively.

Creation of
annuity.

7. For the purpose of carrying out and giving effect to the memorandum of terms which have been agreed to between the Secretary of State and the Company, the Secretary of State is hereby authorised to create, and shall create, on or before the first day of January one thousand eight hundred and eighty, a clear yearly annuity of one million four hundred and seventy-three thousand seven hundred and fifty pounds, being at the rate of four pounds ten shillings per centum per annum in respect of every one hundred pounds of stock of the Company at the agreed value of one hundred and twenty-five pounds, and yielding an annuity of five pounds twelve shillings and sixpence in respect of every such one hundred pounds stock, commencing on the first day of January one thousand eight hundred and eighty and terminating on the fourteenth day of February one thousand nine hundred and fifty-three, and the said annuity shall have all the incidents of personal estate.

Annuity to
be charged
on revenues
of India and
on the under-
taking.

8. The said annuity of one million four hundred and seventy-three thousand seven hundred and fifty pounds shall be and is hereby charged on and payable out of the revenues of India in like manner as other liabilities incurred on account of the Government of India as well as charged on and payable out of the profits of the undertaking in accordance with the said memorandum of terms.

Payment of
annuity.

9. The Secretary of State shall, subject to the provisions of this Act, pay the said annuity to the Company in London at the times and in manner following; that is to say, the first payment shall be made on the first day of April one thousand eight hundred and eighty, in respect of the three months immediately preceding such payment, and the next and subsequent payment shall be made yearly and every year in equal moieties half-yearly, that is to say, on the first day of October and the first day of April, until the first

day of October one thousand nine hundred and fifty-two, and the remaining portion of the said annuity, accruing due between the said first day of October one thousand nine hundred and fifty-two and the fourteenth day of February one thousand nine hundred and fifty-three, shall be paid on the last-mentioned day.

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10. The said annuity of one million four hundred and seventy-three thousand seven hundred and fifty pounds, or so much thereof as shall or may under the provisions of this Act be payable, shall from time to time be paid by the Secretary of State to the Company, and received and held by them for the purpose of distribution by them amongst the several persons who shall under the provisions of this Act from time to time be entitled thereto, and shall not, nor shall any part thereof, at any time be paid or applied by the Company otherwise than for the purpose of such distribution.

Secretary of State to pay annuity to Company and Company to distribute same.

11. The said annuity of one million four hundred and seventy-three thousand seven hundred and fifty pounds shall not, nor shall any part thereof, at any time be liable to be or be attached, taken in execution, or in any way charged to satisfy any debt or judgment that shall or may at any time become or be due from or recovered against the Company.

Annuity not liable to attachment, &c.

12. For the purpose of ascertaining the amount of annuity to which each proprietor of stock of the Company shall be entitled the Board shall, on the first day of November one thousand eight hundred and seventy-nine, finally close the register of stock in London, and no transfer of stock of the Company shall be made after that date; and for the like purpose the Board shall, on the first day of October one thousand eight hundred and seventy-nine, finally close the register of stock of the Company at Calcutta, and shall transfer the stock then standing on that register to the register in London.

Closing registers of proprietors of stock.

13. The Company may enter into and conclude with the Secretary of State such contract or contracts as may be agreed upon for deferring, for a period not exceeding fifty years from the first day of January one thousand eight hundred and eighty, with power to determine the same at the option of either party, as in the said memorandum of terms mentioned, the payment of a portion not exceeding one fifth of the whole of the said annuity of one million four hundred and seventy-three thousand seven hundred and fifty pounds, and in lieu thereof for the payment of interest at the rate of four pounds per centum per annum to be guaranteed by the Secretary of State upon the capital sum represented by the said portion of the said annuity, calculated as herein-before

Power to Company to make contracts with Secretary of State for deferring payment of portion of annuity.

D. 1879.

provided, and for the participation by the Company to an extent not exceeding one fifth in the surplus profits of the undertaking, as defined in the herein-before recited memorandum of terms: Provided always, that on the expiration of the said term of fifty years or other sooner determination of any such contract or contracts as by this Act provided, then and in any such event, whichever shall first happen, the Secretary of State shall, from the date of the determination of such contract or contracts up to and until the fourteenth day of February one thousand nine hundred and fifty-three, pay to the Company the said portion of the said annuity as and when the same shall accrue due, in like manner in all respects as if such portion had not been deferred.

Interest payable under contracts to be paid by Secretary of State to Company and Company to distribute same.

14. In the event of any such contract or contracts as in the last preceding section mentioned being entered into and concluded by and between the Company and the Secretary of State, the said interest payable thereunder shall, as and when the same shall accrue due, be paid by the Secretary of State to the Company, and be received and held by them for the purpose of distribution by them amongst the several persons who shall, under the provisions of this Act, be from time to time entitled thereto, and shall not, nor shall any part thereof, at any time be applied by the Company otherwise than for the purpose of such distribution.

Interest under contracts not liable to attachment, &c.

15. The said interest payable by the Secretary of State to the Company under any such contract or contracts as aforesaid shall not, nor shall any part thereof, at any time be liable to be or be attached, taken in execution, or in any way charged to satisfy any debt or judgment that shall or may at any time become or be due from or recovered against the Company, whether before or after the passing of this Act.

Notice to be given to proprietors as to deferring payment of portion of annuity.

16. The Board shall, on or before the first day of November one thousand eight hundred and seventy-nine, send or cause to be sent to every proprietor of stock of the Company a notice in writing, requiring him, on or before a day to be named in such notice, to signify in writing to the secretary of the Company whether he is desirous of availing himself of such provision for deferring the payment of the said portion of the annuity to which he is entitled, and for accepting in lieu thereof a guarantee of interest by the Secretary of State on the capital sum represented by the said portion of the said annuity at the rate of four pounds per centum per annum, and for a participation in the surplus profits of the undertaking; and the Board shall allot among such of the proprietors as shall have so signified their desire to avail

themselves of such provision the amount to which they shall be entitled of deferred annuity in respect of their several holdings of stock of the Company. Every proprietor who shall not, on or before the day to be named in that behalf, so signify such his desire shall be deemed to have declined to avail himself of such provision; and the Board shall, as to the portion not taken by the proprietors entitled thereto, allot the same in their discretion, before the thirty-first day of December one thousand eight hundred and seventy-nine, among such of the proprietors as shall have availed themselves of such provision who may be willing to take such further amount.

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17. When and so soon as the number and names of the proprietors of stock of the Company who may elect to avail themselves of such provision shall have been ascertained, the Board shall cause to be inscribed in a book, to be called "The Register of Deferred Annuity Holders," the name of every such proprietor and the amount of such deferred annuity to which he is entitled, and shall issue to him a certificate of the amount of his holding; and every holder of a deferred annuity, in this Act called a deferred annuity holder, may from time to time transfer his annuity, or any part thereof; provided always, that no transfer be made of any fractional part of one pound of annuity, but such proviso shall not extend to prevent the transfer by any deferred annuity holder of any fractional part of one pound comprised in the deferred annuity which shall, under the provisions of this Act, have been allotted to him as a fractional part by the Board, and every provision in the deed of settlement and the Act of 1849 relating to the registration and transfer of shares shall apply, mutatis mutandis, to the registration and transfer of such annuities.

Register of deferred annuity holders.

18. For the purpose of enabling the Company to provide a sinking fund to produce, on the fourteenth day of February one thousand nine hundred and fifty-three, the capital of such of the proprietors of stock as shall be willing to avail themselves of the provision in that behalf in this Act contained, the Board shall divide the holders of annuities, in this Act called annuitants, into two classes, to be called Class A and Class B. Class A shall consist of those annuitants who may elect to receive their annuity in full; Class B shall consist of those annuitants who may elect to receive their annuity, less a sum to be deducted for providing a sinking fund as in this Act prescribed.

Division of annuitants into two classes.

19. The Board shall, on or before the twentieth day of September one thousand eight hundred and seventy-nine, send or cause to be sent to every proprietor of stock of the Company a notice in

Proprietors, on notice from Company, to

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choose their
own class of
annuitants.

writing requiring him, on or before a day to be named in such notice, not earlier than the first day of November one thousand eight hundred and seventy-nine, to signify in writing to the Secretary of the Company whether he desires to be placed in both classes of annuitants, and, if so, the amount of stock of the Company in respect of which he desires to be placed in either class, and if he does not desire to be placed in both classes, in which class of annuitants he elects to be placed, and any proprietor who shall not, on or before the day named in such notice, so signify his intention shall be placed in Class A. Every such notice shall be accompanied by a copy of the thirty-seventh section of this Act.

Registers of
annuitants.

20. When the number and names of the annuitants of each class respectively shall have been so ascertained, the Board shall cause to be inscribed in two books, to be called respectively "The Register of Annuitants, Class A," and "The Register of Annuitants, Class B," the name of each annuitant of each class respectively, with the amount of annuity to which he is entitled, and shall issue to him a certificate of the amount of his holding; and every such annuitant may from time to time transfer his annuity or any part thereof; provided always that no transfer be made of any fractional part of one pound, but such proviso shall not extend to prevent the transfer by any annuitant of any fractional part of one pound comprised in the annuity which shall, under the provisions of this Act, have been allotted to him as a fractional part in respect of his holding of stock of the Company; provided also that no transfer be made from one register of annuitants to the other, and every provision in the deed of settlement and the Act of 1849 relating to the registration and transfer of shares shall apply, *mutatis mutandis*, to the registration and transfer of such annuities.

Cancellation
of stock.

21. Every proprietor of stock of the Company who shall, under the provisions of this Act, become entitled to any annuity in respect of such stock shall, on the issue to him of the said certificate, deliver up to the Board, for the purpose of cancellation by them, his certificate of such stock of the Company, unless he shall prove to the reasonable satisfaction of the Board the loss or destruction thereof, and thereupon the Board shall cancel the same.

Payment of
annuities.

22. The Board shall, on each and every half-yearly or other day on which they shall receive the said annuity from the Secretary of State, or as soon thereafter as may be, after deducting any sum by this Act authorised to be deducted, pay to the persons whose names shall at such time be upon "The Register of Annuitants, Class A," the amount of annuity in full to which they shall be respectively entitled, and shall, after a like deduction, pay to the

persons whose names shall at such time be upon "The Register of Annuitants, Class B," the amount of annuity to which they shall be respectively entitled, less the sum necessary to provide a sinking fund as in this Act prescribed. A.D. 1879.

23. For the purpose of providing a sinking fund the Board shall, from and in respect of the annuities payable to the annuitants whose names shall for the time being be on "The Register of Annuitants, Class B," on each and every half-yearly or other day on which they shall receive the same from the Secretary of State, or as soon thereafter as may be, until the said fourteenth day of February one thousand nine hundred and fifty-three, deduct a sum at the rate of seven shillings and sixpence for every sum of five pounds twelve shillings and sixpence of annuity, so as to produce as near as may be, on the said fourteenth day of February one thousand nine hundred and fifty-three, the capital sum represented by such annuity, and shall from time to time invest the sums so deducted in the joint names of the Governor and Deputy Governor of the Bank of England for the time being and the chairman and deputy chairman of the board for the time being, which persons are in this Act called the trustees of the sinking fund, on the following securities, or any of them; that is to say, any of the parliamentary stocks or public funds of Great Britain, stock of the Governor and Company of the Bank of England, debenture stock of railways in England, India four per cent. stock, debentures, stock or other securities issued by the Secretary of State under the authority of Parliament, debenture stock of railways in India the interest on which is guaranteed by the Secretary of State, stock of the Metropolitan Board of Works, or on mortgage of freehold securities in England, and shall from time to time invest the dividends accruing from the said investments on the same securities, or any of them, and may at their discretion from time to time vary or transfer any investments made under the provisions of this section into or for other securities of any nature by this section authorised; and the Board shall, on the first day of April and the first day of October in each and every year, or within two months after such dates respectively, commencing on the first day of October one thousand eight hundred and eighty, cause to be published in the "London Gazette," and in one London daily newspaper, a statement showing the total amount of the sums so invested by them and the securities on which the same are respectively invested. Sinking fund.

24. The trustees of the sinking fund shall hold the said investments in trust for and on behalf of the several persons who shall Declaration of trust as to sinking fund.

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Eventual
division of
sinking fund.

25. On the fourteenth day of February one thousand nine hundred and fifty-three, or as soon thereafter as may be, the trustees of the sinking fund shall realise and pay over to the Board, and the Board shall thereupon divide, the moneys representing the accumulations of the sinking fund so to be provided, amongst the several persons whose names shall at that time appear and be on "The Register of Annuitants, Class B," rateably and in proportion to the capital sums represented by their annuities.

Determina-
tion of con-
tract for
deferring
payment of
portion of
annuity.

26. On the expiration by effluxion of time or in the event of the determination by either party of any contract made or to be made under the powers of this Act between the Secretary of State and the Company for deferring the payment of the said portion of the said annuity, the Board shall close the register of deferred annuity holders, and shall inscribe in the Register of Annuitants, Class A, the name of each deferred annuity holder, with the amount of annuity to which he is entitled in lieu of the deferred annuities previously held by him, and shall, upon his giving up his certificate in respect of such deferred annuities, issue to him a certificate of the amount of his holding, and thereupon each such annuitant shall become and be an annuitant of Class A, and shall have all the same rights and interests as the annuitants of that class.

Company
may make
contracts for
certain pur-
poses with
Secretary of
State.

27. From and after the commencement of this Act, the Company may enter into and conclude with the Secretary of State any contract or contracts for any of the following purposes; that is to say,

- (a.) The carrying into effect the memorandum of terms come to between the Company and the Secretary of State, and any addition thereto or modification thereof, as may be agreed upon between them, not being contrary to or at variance with the provisions of this Act;
- (b.) The maintenance and management of the East Indian Railway, or any part thereof;
- (c.) The improving and enlarging the East Indian Railway, or any part thereof, and the constructing, deviation, or auxiliary railways and other works in connexion therewith;

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- (d.) The use and working of the East Indian Railway, or any part thereof, and the conveyance of traffic thereon ;
 - (e.) The granting running powers and other facilities and accommodation of whatever description to other railway companies or to State railways ;
 - (f.) The use by the Company of running powers and other facilities and accommodation of whatever description that any other railway company, or the Secretary of State, may at any time have power to grant to the Company ;
 - (g.) The maintenance and management of railways in connexion with but not forming part of the East Indian Railway, and the use and working of such railways and the conveyance of traffic thereon ;
 - (h.) The control and supervision of the Secretary of State in respect of the matters aforesaid, including the appointment of one or more Government directors ;
 - (k.) The doing all things necessary or incidental to the matters provided for by by this Act, or any of them ;
- and the Secretary of State and the Company are hereby authorised and empowered to carry any such contract or contracts into effect.

28. With respect to the election of directors and auditors of the Company, the deferred annuity holders shall, exclusively of the annuitants in Classes A and B, have and exercise all such rights and privileges as may now be exercised by proprietors of stock of the Company ; and for such purposes, and all other purposes affecting the internal management of the Company, the provisions of the deed of settlement and the Acts now regulating the Company relating to the matters aforesaid shall, except as otherwise in this Act provided, remain in force ; and except as aforesaid everything to be done by such deferred annuity holders in respect of such matters, or any of them, shall be done in accordance with the provisions of the deed of settlement and the said Acts as the same shall respectively apply.

As to election of directors and auditors.

29. The persons who, on the thirty-first day of December one thousand eight hundred and seventy-nine, shall be directors and auditors of the Company shall respectively continue in office and be deemed to be directors and auditors elected by the deferred annuity holders, and shall continue in office until the day of the next annual general meeting of the Company held in accordance with the deed of settlement and the Acts now regulating the Company with respect to the election of directors and auditors ; and,

Time during which directors and auditors may hold office.

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Qualifica-
tion of di-
rectors and
auditors.

30. In every case where by the deed of settlement and the Acts now regulating the Company any person is now required to hold any number of shares or amount of stock of the Company as a qualification for any office, the qualification for the office of a director shall, from and after the first day of January one thousand eight hundred and eighty, be the holding by any such person in his own right of deferred annuities to an amount not less than fifty pounds; and the qualification for the office of an auditor shall from such date be the holding by such person in his own right of deferred annuities to an amount not less than twenty-five pounds.

Qualifica-
tion for
votes at
meetings.

31. In lieu of the provisions contained in the deed of settlement respecting the amount of shares or stock enabling the holders thereof to vote at the general meetings of the Company, be it enacted that each amount of one pound of deferred annuities shall entitle the holder to one vote.

Quorum
at meetings.

32. From and after the first day of January one thousand eight hundred and eighty, to constitute an annual half-yearly or extraordinary general meeting of deferred annuity holders, there must be present at the place, and within an hour of the time appointed for holding the same, deferred annuity holders holding at the least, in person or by proxy, deferred annuities of not less in the aggregate than two thousand pounds; but every general meeting of deferred annuity holders which shall have been so properly constituted as aforesaid may proceed in the business thereof, notwithstanding the said number of deferred annuity holders may be subsequently reduced below the number necessary to constitute such meeting in the first instance.

Manage-
ment of
annuities.

33. During the continuance of any contract made or to be made under the powers of this Act between the Secretary of State and the Company for deferring the payment of the said portion of the said annuity, the payment and management of the said annuities of both classes, and all matters and things incidental thereto, shall be done, provided, made, and effected by the directors for the time being elected by the deferred annuity holders, as by this Act provided.

34. In order to provide for the expenses of the payment and management of the said annuities other than the deferred annuities, the Board may, on each and every half-yearly or other day appointed for the payment of such annuities, deduct from the sums so to be paid to every annuitant of either class a sum not exceeding one penny in respect of every twenty shillings of annuity or fractional part thereof, and every annuitant of either class shall allow such deduction accordingly.

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—
Expenses of management of annuities.

35. On the expiration by effluxion of time or in the event of the determination by either party of any contract made or to be made under the powers of this Act between the Secretary of State and the Company for deferring the payment of the said portion of the said annuity, the persons who shall at such time be directors and auditors of the Company shall respectively continue in office until such time as provision shall be made by the annuitants of both classes for the payment and management of the said annuities of both classes as by this Act provided.

Continuance in office of directors and auditors in certain events.

36. On the expiration by effluxion of time or in the event of the determination by either party of any contract made or to be made under the powers of this Act between the Secretary of State and the Company for deferring the payment of the said portion of the said annuity, the annuitants of both classes shall have and exercise all the rights and privileges by this Act given to the deferred annuity holders with respect to the election of directors and auditors of the Company, and all internal management of the Company, and shall exercise all such rights and privileges in accordance with the provisions of this Act, and at the times and in the manner by this Act provided with respect to the exercise of the same by the deferred annuity holders.

Rights, &c. of annuitants.

37. And whereas a large portion of the stock of the Company is now held by trustees, be it enacted that, subject to the provisions in this section contained, from and after the thirty-first day of December one thousand eight hundred and seventy-nine, any person then holding stock of the Company as trustee may accept the annuity to which he shall be entitled in lieu of such stock as by this Act provided; and, subject as aforesaid, any trustee having power under the instrument constituting his trust to invest the trust funds in the shares or stock of any Indian railway, the interest on which is guaranteed by the Secretary of State, may invest such trust funds in the purchase of the annuities by this Act authorised to be created; and any trustee who shall, under the provisions of this section, have accepted or invested in the purchase of the said annuities shall hold and deal with the same in like manner as if the same had been an investment originally authorised

Trustees.

A.D. 1879. — by the instrument constituting his trust: Provided always, that any trustee so investing the trust funds in the purchase of the said annuities, or accepting or holding the same, shall invest in, accept, and hold annuities of Class B, and not otherwise: Provided also that no trustee shall by virtue of this Act be authorised to accept or purchase any portion of the said deferred annuities.

Annuities to be held subject to same provisions as stock for which they are substituted.

38. The cancellation of the stock of the Company, and the allotment of annuities in lieu thereof by this Act directed, shall not affect the rights of any persons claiming under any settlements, whether by will, deed, or otherwise, provisions, declarations, agreements, charges, liens, or incumbrances, except by the substitution of annuities for stock, and all settlements, provisions, declarations, agreements, charges, liens, or incumbrances comprising stock of the Company, and existing on the thirty-first day of December one thousand eight hundred and seventy-nine, shall from and after that date be read, construed, and enforced as comprising in lieu of such stock the annuities allotted or to be allotted in respect thereof: Provided that such rights and privileges as are by this Act or otherwise attached to such stock after that date shall still remain subject to the settlements, provisions, declarations, agreements, charges, liens, or incumbrances in which such stock is comprised.

Registered proprietor of stock alone entitled to stock standing in his name.

39. Notwithstanding the enactments aforesaid, the Company shall not in the allotment of annuities or otherwise, in the fulfilment of the duties imposed upon them by this Act, be bound or be at liberty to take notice of any settlement, provision, declaration, agreement, charge, lien, or incumbrance comprising stock of the Company, but the Company shall in every case recognise the registered proprietor of stock as alone and absolutely entitled to the stock standing in his name.

Rights of legatees not to be affected.

40. In every case where by will or other testamentary instrument coming into operation after the thirty-first day of December one thousand eight hundred and seventy-nine a proprietor purports to dispose of a particular sum of stock, or of the whole of his stock, or of an aliquot portion of the whole of his stock, such disposition shall, in the absence of contrary intention declared by the proprietor in the will or other testamentary instrument, or in other document under his hand, operate in the same manner and to the same extent as if the proprietor had in such will or other testamentary instrument disposed in favour of the same persons and for the same interests of the annuities allotted or to be allotted in lieu of the particular sum of stock, or of the whole or any aliquot portion of the whole of the annuities allotted or to be allotted to him in respect of the stock standing in his name on the thirty-first day of December one thousand eight hundred and seventy-nine,

but not so as to deprive any legatee of stock of any, rights or privileges attached thereto after that date. A.D. 1879.

41. General meetings of the persons whose names shall on the first day of November one thousand eight hundred and seventy-nine, be upon the register of proprietors of stock of the Company shall be held in the months of January and June or July one thousand eight hundred and eighty, for the purpose of declaring dividends out of the surplus profits, if any, in respect of the half years ending on the thirtieth day of June and the thirty-first day of December one thousand eight hundred and seventy-nine respectively, and the said persons shall be entitled to receive, and shall receive, the dividends, if any, payable in respect of the stock of which they were the registered proprietors on the first day of November one thousand eight hundred and seventy-nine, as if this Act had not been passed.

General meeting of proprietors of stock to declare dividend.

42. For the purposes mentioned in the next succeeding section of this Act the Board may from time to time call a meeting of the deferred annuity holders, and the annuitants for the time being, of both classes; and, save as is by this Act otherwise provided, any such meeting shall be governed by and the business thereof conducted in accordance with the provisions of the deed of settlement and the Acts now regulating the Company. If and whenever a ballot shall be demanded at any such meeting, the deferred annuity holders shall be entitled to the number of votes in respect of their deferred annuities given to them by the 31st section of this Act; and with respect to the annuitants for the time being of both classes each amount of one pound of annuities shall entitle the holder to one vote.

Power to board to call meeting of annuitants of both classes for special purposes.

43. Subject to due provision for such claims, if any, as may be made in respect of the unclaimed interest and dividends mentioned in the schedule to this Act annexed, the Board may from time to time apply the property of which the Company is possessed, mentioned in the said schedule, in satisfaction or discharge of any obligation of the Company in respect of which the Secretary of State is not under the provisions of this Act bound to indemnify the Company; and if and so far as such property shall not be required for the purposes aforesaid the Board may from time to time deal with the same as they may think fit, subject to the sanction of a majority of the votes of the deferred annuity holders and the annuitants for the time being of both classes in person or by proxy in meeting assembled.

Power to dispose of property mentioned in schedule.

44. Whereas by an indenture dated the thirteenth day of September one thousand eight hundred and fifty-three, and made

Provision for payment of Sir R. M.

A.D. 1879.
Stephenson's annuity.

between the Company of the one part and Rowland Macdonald Stephenson of the other part, the Company granted to the said Rowland Macdonald Stephenson, his executors and administrators, an annuity of two thousand five hundred pounds for a term of twenty-five years; or if either the said Rowland Macdonald Stephenson or his then wife should survive that period, then to continue until the death of the survivor of them, upon, under, and subject to certain terms and conditions in the said indenture contained; and whereas the said Rowland Macdonald Stephenson, now Sir Rowland Macdonald Stephenson, and his said wife are both still living, and it is expedient to make provision for the payment of the said annuity of two thousand five hundred pounds: Be it enacted that the Board shall on each and every half-yearly or other day on which they shall receive from the Secretary of State the annuity by this Act authorised to be paid, or as soon thereafter as may be, deduct from the interest to be paid to every deferred annuity holder, and from the annuities to be paid to every annuitant of either class, a sum per annum equal in amount to the said annuity of two thousand five hundred pounds, and shall as soon after such days respectively as may be pay to the said Sir Rowland Macdonald Stephenson, his executors, administrators, or assigns, so long as the same be payable, the portion of the said annuity of two thousand five hundred pounds which shall be due on such day; and the Board may for the purposes aforesaid deduct from the sums to be paid to every annuitant of either class a sum not exceeding one penny in respect of every twenty shillings of annuity or fractional part thereof, and every annuitant of either class shall allow such deduction accordingly: Provided always, that the aggregate sum to be deducted for the purposes aforesaid, and for the purposes mentioned in section 34, shall in no case exceed the sum of one penny in respect of every twenty shillings of annuity or fractional part thereof.

Power to Company to purchase annuity payable to Sir R. M. Stephenson.

45. The Company may in their discretion at any time determine the obligation to pay the said annuity of two thousand five hundred pounds by payment to the said Sir Rowland Macdonald Stephenson, his executors, administrators, or assigns, of a sum of money equal to the value at the date of such payment of the said annuity according to the tables of the prices of Government annuities, together with the amount payable in respect of the said annuity, as for the time elapsed since the day of the last payment thereof; and on such payment being made the provisions in the section next herein-before contained respecting the said annuity of two thousand five hundred pounds, and also the provisions respecting

the same, contained in the said indenture of the thirteenth day of September one thousand eight hundred and fifty-three, shall absolutely cease and determine. A.D. 1879.

46. The Secretary of State may purchase by agreement from any proprietor of stock of the Company the amount of annuity to which such proprietor is entitled, or any portion thereof, paying in exchange for the same, as by this Act provided, to any such proprietor on the register in London India 4 per cent. stock, and to any such proprietor on the register at Calcutta India 4 per cent. stock or 4 per cent. rupee debt in India, at the rate of one hundred and twenty-five pounds of such stock, or rupees 1,250 of such debt, for every five pounds twelve shillings and sixpence of annuity if such purchase is made prior to the 1st day of January 1880, and at a rate not exceeding 125*l.* of such stock, or rupees 1,250 of such debt, for every 5*l.* 12*s.* 6*d.* of such annuity if such purchase be made after the 1st day of January 1880: Provided that no such purchase shall be made by means of India 4 per cent. stock unless the Secretary of State shall be authorised by Parliament to create and issue such stock for the purpose.

Purchase of annuity by Secretary of State by means of India 4 per cent. stock or 4 per cent. rupee debt.

47. In case the Secretary of State shall be authorised by Parliament to create and issue India 4 per cent. stock for the purpose of such purchase, every proprietor of stock of the Company who may desire to exchange the amount of annuity to which he is entitled, or any portion thereof, for India 4 per cent. stock or 4 per cent. rupee debt, as the case may be, shall give notice of such his desire to the Company in such manner and at such time or times as the Company, with the sanction of the Secretary of State, may prescribe.

Proprietor to give notice of his desire to take India 4 per cent. stock or 4 per cent. rupee debt.

48. The aggregate of the amounts of annuities to be exchanged for India 4 per cent. stock or 4 per cent. rupee debt in India shall be registered in the books of the Company in the name of the Secretary of State by his official style, and thereupon the Secretary of State shall deliver to the Company, for the purpose of distribution among the proprietors of stock of the Company entitled thereto respectively, certificates of the portions or shares of India stock or rupee debt, as the case may be, to be given in exchange for the several amounts of annuities forming the aggregate amount registered in the name of the Secretary of State; and immediately upon such delivery the secretary of the Company shall cancel all stock of the Company represented by the several amounts of annuities forming such aggregate amount as aforesaid, and, except as by this Act is otherwise provided, all rights in respect of the stock so cancelled shall be extinguished.

Distribution of India 4 per cent. stock or 4 per cent. rupee debt among proprietors.

A.D. 1879.
Deductions
from such
annuities.

49. The Secretary of State may retain out of each and every half-yearly or other payment of the said annuity payable by him to the Company the amount which, if such payment were made in full, he would be entitled to receive in respect of the annuity registered in his name if such annuity were not subject to any deductions in favour of the Company.

Further
provision as
to annuities
in name of
Secretary
of State.

50. The Secretary of State shall not be entitled to any payment from the Company in respect of the annuity registered in his name, nor shall such annuity or any part thereof be transferable in the books of the Company, nor shall the Secretary of State as an annuitant be summoned to or entitled to attend any meeting of the Company; but the Secretary of State shall be liable in respect of his holding to contribute rateably with other annuitants to the expenses and payments in respect of which the Company are by this Act authorised to make deductions from the sums to be paid to annuitants.

As to
sinking
fund in
respect of
such an-
nuities.

51. The Secretary of State shall, on each and every half-yearly or other day on which the said annuity payable to the Company shall be paid, or as soon thereafter as may be, invest one equal ninth part of the amount retained by him in respect of the annuity registered in his name upon any of the parliamentary stocks or funds of Great Britain, or upon India 4 per cent. stock, or any other stock or securities issued by the Secretary of State under the authority of Parliament, and shall from time to time invest the dividends accruing from such investments on the same stocks, funds, and securities, or any of them, in order to provide a sinking fund, to be applied by the Secretary of State in such manner and at such time or times as he shall think fit, in reduction of the public debt of India created under the authority of Parliament.

Any stock or securities that may be cancelled or redeemed for the purposes of such reduction shall not be re-issued without the authority of Parliament.

When and so soon as the public debt of India, created under the authority of Parliament, shall by the operation of the said sinking fund be reduced by an amount equivalent to the amount of the public debt of India, whether created under the authority of Parliament or not, attributable to the purchase of the annuity registered in the name of the Secretary of State, any obligation imposed on the Secretary of State under or by virtue of this clause shall cease and determine.

Notices.

52. In every case where by this Act the Board are required to send, or cause to be sent, any notice to any proprietor of stock of the Company it shall be sufficient for the Board to send, or cause

to be sent, such notice by the post in a prepaid letter, addressed to such proprietor at his last registered address; and where any notice is by this Act provided to be sent on or before a certain day it shall be sufficient to post the letter containing such notice on or before that day.

A.D. 1879.
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53. Nothing in this Act contained shall operate or be construed to alter or repeal any of the provisions of the deed of settlement or the Acts, or any of them, passed in relation to the Company, save so far as such provisions may be expressly repealed or varied, or may be inconsistent with this Act, or to abridge or restrict the powers of the Board in the conduct and management of the affairs of the Company.

General
saving.

54. All costs, charges, and expenses of and incident to the preparing, obtaining, and passing of this Act, or otherwise in relation thereto, shall be treated as part of the working expenses of the undertaking of the Company for the year one thousand eight hundred and seventy-nine, and be paid accordingly.

Expenses of
Act.

A.D. 1879.

SCHEDULE referred to in the foregoing Act.

Property which the Company are possessed of or to which they may be or become entitled, and which is not intended to be transferred to or vested in the Secretary of State under the provisions of this Act:

- (1.) Such sum or sums of money as shall be found to be due from the Secretary of State to the Company in respect of half the value of all the buildings, workshops, fixtures, machinery, and plant on certain coalfields, known as the Kurhurballe and Serampore Coalfields, on an account to be taken between them.
- (2.) Such a sum as shall be found to be due from the Secretary of State to the Company in respect of their contributions made to the insurance fund heretofore maintained for the purposes of the undertaking on an account to be taken between them.
- (3.) The sum of 11,416*l.* 4*s.* 9*d.*, representing interest and dividends received by the Company in respect of certain shares which have been duly forfeited since such interest and dividends were respectively received by the Company, and interest accrued on such interest and dividends.
- (4.) The sum of 38,994*l.* 2*s.* 3*d.*, representing unclaimed interest and dividends accrued prior to the 31st day of December 1878, and interest thereon.
- (5.) Unclaimed interest and dividends accrued subsequently to the 31st day of December 1878, and interest thereon.
- (6.) Interest on the above-mentioned sums of 11,416*l.* 4*s.* 9*d.* and 38,994*l.* 2*s.* 3*d.*