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**Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.,
Chairman of the B. E. S. & T. Co., Ltd., since 1926.**

IT has been a great pleasure to me to compile, and, with the approval of the Board of Directors, place before the shareholders the History of the BEST Company in the Golden Jubilee year of my connection with it and its predecessor.

I am greatly indebted to my Assistant, Mr. H. C. Italia, for his valuable assistance in the task.

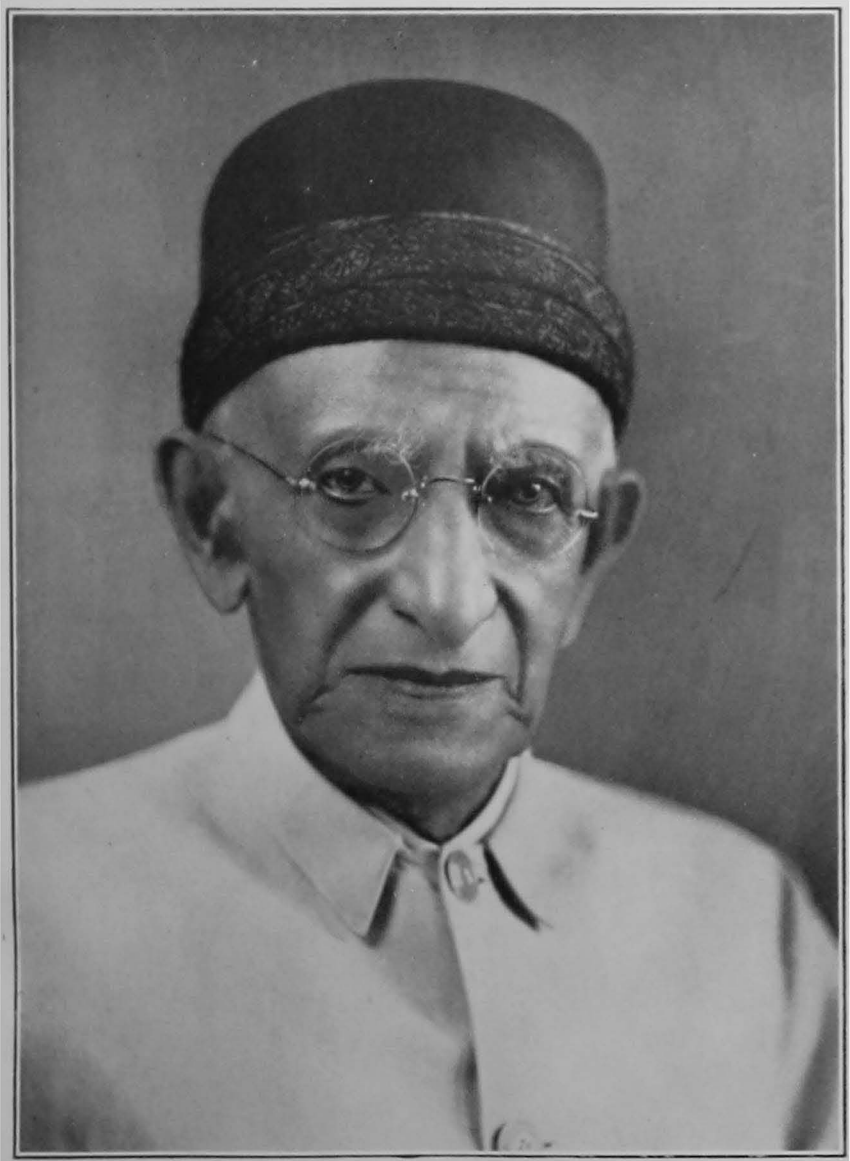
PESTONJI D. MAHALUXMIVALA.

Bombay, 21st March 1936.

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Mr. Pestonji D. Mahaluxmivala, J.P., *Secretary.*

Foreword.

I am often asked what are the greatest changes which have taken place since I landed in Bombay in July, 1897. Undoubtedly the most beneficial is the advent of electricity. We have been witnesses in our generation of vast developments in the City. There is the diffusion of the population arising from the fine new streets cut through an overcrowded Island by the Improvement Trust. There is the immeasurable improvement in the standard of office accommodation following the flight from ramshackle buildings in Apollo Street, Churchgate Street and Medows Street after the outbreak of plague. There is the equally beneficial raising of the standard of residential premises, especially through the growth of the flat habit. There is the transformation of transport consequent on the motor car. But taking all in all, nothing has increased so materially the amenities of life in the City and Island, and raised the standard of health more, than the general use of electricity.

Indeed it is almost impossible for those softened by the ease of life to-day to realise what it was before this servant was harnessed to the well-being of the citizens. Although the oil lamp had been improved, it was far from the efficient article it is to-day. Lamps stank and gave off an intense heat; their care in a moderate-sized bungalow was the main work of a whole-time hamal. I can well recall dining in Grant Road one steamy night in May with that prominent citizen, Dr. Blaney, with a three hundred candle power lamp over my head and no punkah. Swish-swish punkahs had their merits; the punkah cooly, poor fellow, few. But they were dark, dirty, noisome things, and in May and June Bombay was indeed the City of Dreadful Night. How lucky we felt ourselves if the punkah functioned for even one unbroken night, and the slumbers of the punkah cooly, who often eked out a miserable wage by work throughout the day, drove many a man and woman to the verge of homicidal fury. One

resolute lady of my acquaintance locked up her punkah coolies during the day so that they might come fresh to their duty in the evening.

Yet electricity was slow in coming. My native city of Bristol had been electrified for years before I turned my wandering footsteps East. It was a bit of a shock to come to The Second City in the Empire and find horse trams, good of their kind, but then ten years out of date. Progress was hung up by the franchise of the original Bombay Tramway Company, and then the protracted litigation following its acquisition by the Municipal Corporation and leased to the founders of the present Company. Even then progress was extraordinarily slow, and I had to wait until 1913 before I could persuade the Company to extend its overhead mains to serve my bungalow in Dongarsi Road: and it was first proposed to charge me a connection fee of thirteen hundred rupees. The "maximum demand" system was not popular, and it was not until a flat rate was substituted that an effective advance was made. The proposal to utilise the rainfall of the Ghats for the generation of electricity in bulk hung fire for many years, as capitalists were shy of so great an enterprise. But when movement started, it was rapid. Bombay is now the most completely electrified city in Asia. Quite apart from the abundant supply of "White Power" for industry, it is not generally realised that through the very low rates it charges to small consumers—I might even say unprofitable rates—the B. E. S. T. has carried the benefits of electricity down to a humbler class of citizen than any other corporation in like circumstances. There are many thousand of users of electricity whose monthly bills are under two rupees, and statistics show that a much higher proportion of the population is connected with the supply system, as compared with any other city in India. Last, but by no means least, we have the electric refrigerator.

Opinions will differ as to whether the motor car is a boon or the reverse. It means a striking economy in time and convenience, but whether it has led to anything more than a frenzied rush from place to place, to the neglect of our cultural sense, is another matter. In one direction its benefits are unchallengeable. The motor omnibus is of immense advantage to the middle classes, and gives them better and cheaper transport than they previously enjoyed. From small begin-

nings it has developed into an immense service. Thanks to wise direction from the Traffic Authorities, Bombay has a completely co-ordinated system of transport between the railways, the trams and the buses, and a service which is the admiration and envy of other cities.

The story of the development of B. E. S. T., through many and arduous vicissitudes to the great corporation it is to-day, is told in these pages. None is better qualified to present it than Mr. Pestonji D. Mahaluxmivala, who has grown up with it from the earliest days, and who this year celebrated the Golden Jubilee of his association with the original Tramways Company and its successor.

STANLEY REED.

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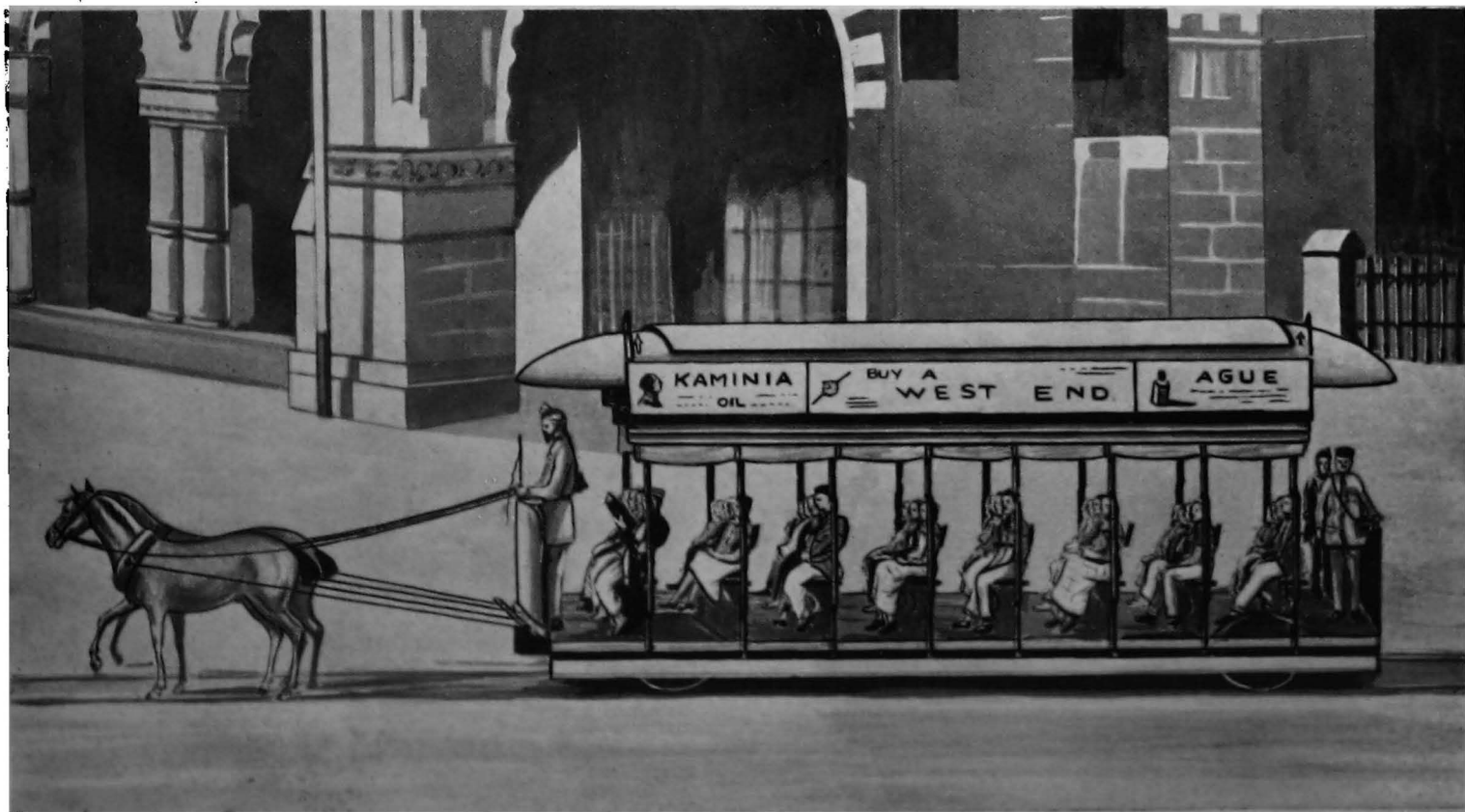
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INAUGURATION OF THE TRAMWAY SERVICE IN BOMBAY.

9th May 1874.

Prior to 1874 public conveyance facilities in Bombay were few. They were chiefly confined to two-wheeled bullock "reklas", most inconvenient and uncomfortable to travel in, accommodating four passengers.

Fares per passenger were—

Mumbadevi	..	Bazaar Gate	..	¾	anna.
,,		.. Elphinstone Circle..	1		,,
Market Bazaar Gate	..	½	..
,, Elphinstone Circle..		¾	..
,, Grant's Buildings ..	1		,,

Besides these there were some horse-drawn four-wheeled sigrams accommodating 5 passengers, 4 inside and 1 outside.

There were also some double-deck horse-drawn omnibuses plying between Mumbadevi and Elphinstone Circle *via* Kalbadevi and between Girgaum (Portuguese Church) and the Cathedral (Fort).

The fares per passenger were 2 annas for the lower and 1 anna for the upper deck.

There were some buggys and palanquins also plying for hire.

Such were the transport facilities in Bombay when in January, 1865, Messrs. Stearns Hobart & Company, an American trading firm carrying on import and export business, applied to Government for a concession to lay and operate a Tramway System in Bombay.

In reply they were informed they should apply to the Municipality, and on their doing so they secured the concession under the Deed of Agreement dated the 28th February, 1865.

The principal clauses of the Deed were :—

The said Grantees or their Assigns shall have power from time to time to fix the rates of fares for carrying persons and goods in the cars or carriages to be run on the said Railway, provided that the rates of fares on at least one-half of the cars or carriages available for passengers which daily run on the said tracks shall for any distance not over three miles not exceed three annas and for any greater distance in the same proportion.

The provisions of this Agreement shall remain and be in force for a term of twenty-five years from the date thereof but the said Grantees or their Assigns shall, if so desirous, be entitled to a renewal thereof for a further term of twenty-five years upon the same or such other terms as shall be agreed upon between the said Grantees or their Assigns and the said Commissioners.

But on the termination of the American Civil War owing to a great financial crash in Bombay, the scheme did not fructify.

Subsequently, in October 1870 Messrs. Stearns Hobart & Co. wrote to the Municipal Commissioner of their intention to put into force the Agreement entered into on 28th February, 1865.

In reply the Commissioner wrote on the 19th January, 1871 :—

Referring to your communication on the subject of the proposed Bombay Horse Railway Co., Ltd., I have the honour to inform you that on the 16th November last I referred the whole question for Counsel's opinion and on the 22nd December was advised that the Agreement entered into by the late Board of Commissioners was *ultra vires* and not binding on the Corporation under Section 4 of Bombay Act 2 of 1865.

It is right that a similar application has been made by Messrs. Lawrence & Co. of Bombay under date 13th December which application I must also submit to the Bench without loss of time.

Thereafter, on the 25th January, 1871, the matter was referred to a Select Committee of the Justices of the Peace for the City of Bombay incorporated under Act II of 1865, of the Council of the Governor of Bombay for making Laws and Regulations with a request to report on the following points :—

1st.—Whether it is desirable to introduce Street Tramways into Bombay ?

2nd.—If so, on what thoroughfares they should be laid down and on what gauge ?

3rd.—By what Agency and on what general terms, the Tramways shall be constructed and worked ?

On the 21st of April 1871 the Committee reported as under :—

That the Committee recognises the advantages of Street Tramways to facilitate the traffic of crowded thoroughfares, but it is of opinion that before any attempt is made to lay Tramways in the Native Town, some experience should be gained of the more open thoroughfares of Bombay.

With reference to the second point, the Committee recommend, therefore that Tramways should be laid in the first instance on the three following lines :—

- (a) From Mazagaon (Lawrence de Lima Street) Frere Road and Eastern Boulevard (thereafter, behind the Town Hall); Marine Street to Victoria Bunder.
- (b) From Arthur Crawford Market, by Market Road to Bazaar Gate and Hornby Road, to Frere Fountain.
- (c) From Money School to Church Gate Street, and on to Scotch Church Rampart Row.

With reference to the third point referred to it, the Committee is of opinion that it is very desirable that the Corporation should itself lay and maintain any Tramways that may be determined upon, issuing licenses to those who wish to run conveyance thereon. If this is not considered possible at present, the concession, to whomsoever made, should be for a term of five years certain with the option to the Corporation of purchasing property at the termination of the lease.

* * * * *

Messrs. Stearns Hobart & Co., under their letter dated March 14th, 1872, stated their willingness to accept the stipulations recommended by the Committee with certain modifications.

On 19th March, 1872, Messrs. Lawrence & Co. also wrote to the Municipal Commissioner enquiring on what terms the Municipality was prepared to grant them the concession.

On the 25th March, 1872, the British and Foreign Tramway Co. applied to the Municipality through their Engineer and Agent, who was on a visit to Bombay, for a concession to lay Tramways in Bombay under certain terms proposed by them.

On 27th March, 1872, another application was submitted to the Municipality by a representative of an Engineering firm in England.

Ultimately Messrs. G. A. Kittridge and F. W. Stearns, of Messrs. Stearns Hobart & Co., succeeded in securing the Concession under the Deed of Agreement dated 1st March 1873.

The principal clauses of the Agreement were :—

1. The said Justices grant to the said William French Stearns and George Alvah Kittridge, and their assigns, the right to construct, maintain, and use a tramway or tramways, with single or double tracks, to and from the stables of the grantees or their assigns on the following routes, and between such other places any by such other routes as may be hereafter approved of by the Municipal Commissioner for the City of Bombay.

2. The said grantees or their assigns shall have power, from time to time, to fix the rates of fares for carrying persons and goods in the cars or carriages to be run on the said tramways, provided that the rates of fares, on at least one-half of the cars or carriages available for passengers which daily run on the said tracks, shall for any distance not over three miles not exceed three annas, and be for any greater distance in the same proportion.

3. The provisions of this agreement shall remain and be in force for a term not less than 21 years from the date thereof. The Corporation shall have the right of purchasing the said tramways, with the plant, stores, rolling-stock, and everything connected therewith, after the expiration of the said 21 years, upon declaring its intention so to do within six months after the expiration of the said 21 years, and shall have a renewed right of purchase at the end of every seven years after the expiration of the said 21 years upon similar notice being given: the amount to be paid in the event of such purchase shall be actual *bona fide* value, exclusive of any compensation for good-will, premium, compulsory sale, or other consideration whatsoever of the tramways, and of the work and materials connected therewith, and of the lands and buildings and all other property of the grantees, such value, in the case the parties do not agree, to be decided by arbitration as hereinafter provided, and for the good-will, premium, compulsory sale and other consideration of the business of the grantees, an amount equal to 21 years' purchase, calculated on the average profits of the previous three years, 4 per cent. per annum on the above value as paid being first deducted from such profits.

4. In consideration of the concession herein granted, the said grantees undertake, on behalf of themselves and their assigns, that they will pay to the Municipal Corporation of Bombay a yearly rent of Rs. 3,000 per mile of double track and Rs. 2,000 per mile of single track, payable half-yearly; the date on which such

rent on each line of tramways shall begin to accrue shall be the date on which such line of tramways is opened for public traffic.

Thereupon a Company styled The Bombay Tramway Company Limited was floated in New York, but registered in Bombay in March, 1873.

Subsequent to the date of execution of the Agreement an Act was passed by the Bombay Government, authorising the making and regulating the working of street tramways in Bombay, *viz.* The Bombay Tramways Act, I of 1874.

CAPITAL OF THE COMPANY.

The Authorised Capital of the Company was Rs. 20 lakhs divided into 10,000 shares of Rs. 200 each, which was increased to Rs. 24 lakhs in 1875.

The whole of the Capital was raised in New York and up to the time of the final winding up of the Company in 1905, practically all the shares were held there. During the last few years of its career a few shares found their way to Bombay.

No dividend was declared from the start of the Company in 1873 to the end of 1885. The whole of the net revenue during the period was expended in developing the Company's business.

The Company was financially reconstructed in 1885, which took over the entire concern at a valuation of Rs. 50 lakhs divided into Rs. 30 lakhs of shares of Rs. 100 each and Rs. 20 lakhs of Debentures of Rs. 1,000 each.

These shares were distributed amongst the shareholders of the Old Company in the proportion of $2\frac{1}{2}$ new shares for every Rs. 200 old share of the Old Company.

Further the Old Company's shareholders were given one Debenture of Rs. 1,000 for every $6\frac{2}{3}$ Old Shares.

ESTABLISHMENT.

In the commencement, Messrs. Stearns Hobart & Co. were appointed Local Agents of the Company on a remuneration of Rs. 3,000 per annum. Their offices were situated on the Esplanade Road, opposite the University Gardens.

Mr. G. A. Kittridge was appointed Managing Director and Mr. Pickering Clark as Visiting Director. Mr. Kittridge retired in 1887 as Managing Director and was appointed Visiting Director. Mr. Rimington who had joined the Bank of Bombay in 1875 and had become Agent at Ahmedabad at the time of leaving it, was appointed Deputy Manager of the Company in 1884. He assumed charge of the Managing Directorship in 1887, which office he continued to hold up to the final winding up of the Company in August 1905, and in the B.E.S.T. Company up to 30th April, 1922.

The establishment was removed under the Company's own management in 1880 to a building opposite the Bank of Bombay.

The Stables and the Stores Department were situated on a plot of land on the Colaba Causeway, secured from Government on a short term lease where the present Offices and Depôts, etc., stand. In 1883, the offices were transferred from the old premises to the building erected thereon in Colaba Causeway.

HORSES.

The Company started operation with 200 horses, of which 100 horses together with 20 omnibuses were bought from the Bombay Omnibus Company for Rs. 30,000. From this small beginning the number of horses was increased from time to time till at the final winding up of the business they numbered 1,360.

The horses were of two classes. Gulf Arabs for Double Horse Cars and Walers for Single Horse Cars. The average price paid was Rs. 400 for a Gulf Arab and Rs. 600 for a Waler.

CARS.

Closed Double Horse Cars.—Four cars of this type were imported from America. They were closed on the sides, the same as we now have, but with longitudinal seats with a seating accommodation for 24 passengers and standing room for a dozen more. As they were found unsuitable for the Company's requirements they were discarded.

Double Horse Open Cars and Single Horse Open Cars.—The first batch of 23 of each of these types was imported from America. Subsequently all the cars required were built

in Bombay in the Company's Workshops. Only castings and wheels were imported, chiefly from America.

The number was increased from time to time till at the time of the final winding up of the Company in 1905 they stood at 91 Double Horse Cars and 104 Single Horse Cars. The cost of each was about Rs. 950 and Rs. 725 respectively.

THE LAYING OF THE FIRST SECTION OF THE LINE.

The work of constructing the line was entrusted to Messrs. Glover & Co., Contractors, under the supervision of Mr. Whitman, a specialist from New York.

The first sod was turned on the 1st January, 1874, and the Grant's Buildings end (Colaba) and the sections between Grant's Buildings and Pydhownie (*via* Crawford Market) and Bori Bunder and Pydhownie (*via* Kalbadevi) were opened for traffic on 9th May, 1874.

FARES.

In the commencement the fares were fixed at 3 annas per trip between Pydhownie and Grant's Buildings and half anna from Market to Bori Bunder in competition with "rekas" (bullock garies).

For the first 5 months no tickets were issued. The fares were collected by the Conductors, and as there was not adequate check, it meant considerable leakage through misappropriation.

After some experience the fare was reduced to 2 annas per trip, and ultimately they were fixed at $\frac{1}{2}$, 1, $1\frac{1}{2}$ and 2 annas. In 1899, the one anna uniform fare was introduced.

WINDING UP OF THE COMPANY.

The Corporation did not exercise their first right of purchase accrued on the 12th March, 1894, on the expiration of the first period of 21 years under the Deed of Concession.

On the 19th July, 1899, the Company applied for sanction of the Corporation to convert the Tramways in the City from horse traction to electric traction on the overhead system. In this connection the Managing Director wrote :—

The cost of converting our lines to electrical traction would be very heavy, amounting it is estimated to fully rupees fifteen lakhs;

and as a condition to our proceeding with the scheme we must ask that the Corporation undertakes not to exercise its option to purchase the tramway on the 12th March, 1901, and also not to exercise it for a period of fourteen years from that date.

After long deliberation the Corporation decided to exercise their right of purchase accrued on the expiration of the second period of seven years, and served the Company with a notice to that effect on 12th March 1901.

Before the Corporation gave formal notice to the Tramway Company of its intention to exercise the right to purchase the undertaking, the Corporation entered into an agreement dated 11th March, 1901, with one William Gentry Bingham (called Promoter in the said agreement) on certain terms.

The Company then filed a suit against the Corporation contending that proper notice had not been given, and therefore they were debarred from exercising their right to purchase. Protracted litigation ensued and the matter went up to the Privy Council, but the question was right through decided against the Company.

In the meantime the valuation of the Company's assets was referred to arbitration, and a sum of Rs. 34 lakhs was awarded in respect thereof on 13th September 1902.

The question of ascertaining the amount of good-will to be paid to the Company was referred to the Commissioner for taking Accounts. After several sittings the parties came to terms and a sum of Rs. 61,99,990 was fixed in respect thereof.

As great delay was caused in completion of the purchase of the Tramways and of putting into complete operation the said agreement of 11th March, 1901, by the pending litigation, an agreement dated 23rd January, 1903, was entered into between the Corporation and the Brush Electrical Engineering Company, Limited, whereby the Brush Company were to commence the introduction and installation of Electric Lighting and Power in and throughout the City and Municipal Boundaries of the Island of Bombay in anticipation of and until the completion of the purchase of the Tramways by the Municipality and the putting into complete operation of the said agreement of the 11th March, 1901. Under the terms of this agreement the rights and obligations of the parties under the agreement of 11th March, 1901, were not to be

affected in the event of its being finally held and established that the Corporation had acquired the right of purchase of the Tramways, in which case the agreement of the 11th March, 1901, was to continue to hold good in its entirety, not only as to the Tramway Concession but also as to the Light and Power Concession. In the event of its being finally decided that the Corporation had not acquired the right claimed in the suit of purchase of the Tramways, the agreement dated 23rd January, 1903, was to be taken to be substantive and enduring in all respects.

Ultimately the concern was taken over by the Bombay Electric Supply and Tramways Company, Limited, on 2nd August, 1905, on payment of Rs. 98,49,990 made up of Rs. 34 lakhs as per Arbitrator's award, for the Company's Tangible Assets, Rs. 2,50,000 for additions made thereto after the award, and Rs. 61,99,990 for good-will.

Out of this sum of Rs. 98,49,990, Debentures amounting to Rs. 18,00,000 were repaid, and the shareholders received Rs. 276 for each Rs. 100 share.

The Company ceased to exist on 2nd August, 1905, when the present Company began to function. The first electric car was run on the 7th May, 1907.

Below is given a comparative statement showing certain figures when tram-cars were started in Bombay on 9th May, 1874, and those on 1st August, 1905, (when The Bombay Tramway Co., Ltd., was wound up) and on 31st December 1935 :—

—	Date.	No. of Passengers carried.	Cash received.	No. of Cars.	No. of Horses.	Total Route Mileage.
Old B. T. Co., Ltd.	9-5-1874	451	Rs. a p. 84 9 0	6	44	3.77
B. T. Co., Ltd.	1-8-1905	71,947	4,259 14 6	195	1,360	17.33
B. E. S. & T. Co., Ltd.	31-12-1935	287,598 including Buses.	18,217 11 6 including Buses.	438 +100 Buses.	..	30.87