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1914: Act X.] Repealing and Amending.

1914: Act XI.] Companies (amendment).

THE FIRST SCHEDULE—concl'd.

AMENDMENTS.

(See section 2.)

1	2	3	4
Year.	No.	Short title.	Amendments.
1913	III	The Administrator-General's Act, 1913.	In section 50, sub-section (2), the following clause shall be inserted after clause (f) :—  “(ff) The disposal by destruction or otherwise, of such records, books and papers belonging to or being in the custody of the Administrator-General as the Government may consider useless or unworthy of being permanently preserved.”
..	VII	The Indian Companies Act, 1913.	In the First Schedule, in Table A, paragraph 91, for the word “found” the word “formed” shall be substituted.

[SECOND SCHEDULE.]

[Repeals.] Repealed by the Repealing Act, 1927 (12 of 1927).

Rep. by act 1 of 1928

ACT No. XI of 1914.<sup>1</sup>

[18th March, 1914.]

An Act to amend the Indian Companies Act, 1913.

[ of 1913,

WHEREAS it is expedient to amend the Indian Companies Act, 1913; It is hereby enacted as follows :—

1. This Act may be called the Indian Companies (Amendment) Act, Short title. 1914.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1913, Pt. V, p. 124; for Report of Select Committee, see *ibid.*, 1914, Pt. V, p. 79; and for Proceedings in Council, see *ibid.*, 1914, Pt. VI, pp. 187, 368, 724 and 743.

Insertion of new sections 83A and 83B in Indian Companies Act, 1913.

2. After section 83 of the Indian Companies Act, 1913 (hereinafter **VII of 1913**, referred to as the said Act), the following heading and sections shall be inserted, namely :—

“ *Directors.* ”

Directors obligatory.

83A. (1) Every company registered after the commencement of this Act shall have at least two directors.

(2) This section shall not apply to a private company.

Appointment of directors.

83B. In default of and subject to any regulations in the articles of a company other than a private company—

(i) the subscribers of the memorandum shall be deemed to be the directors of the company until the first directors shall have been appointed;

(ii) the directors of the company shall be appointed by the members in general meeting; and

(iii) any casual vacancy occurring among the directors may be filled up by the directors, but the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed a director.”

Insertion of new sections 91A, 91B, 91C and 91D in Indian Companies Act, 1913.

3. After section 91 of the said Act the following sections shall be inserted, namely :—

Disclosure of interest by directors.

“ 91A. (1) Every director who is directly or indirectly concerned or interested in any contract or arrangement entered into by or on behalf of the company shall disclose the nature of his interest at the meeting of the directors at which the contract or arrangement is determined on, if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest or the making of the contract or arrangement :

Provided that a general notice that a director is a member of any specified firm or company, and is to be regarded as interested in any subsequent transaction with such firm or company, shall as regards any such transaction be sufficient disclosure within the meaning of this subsection, and after such general notice, it shall not be necessary to

give any special notice relating to any particular transaction with such firm or company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.

91B. (1) No director shall, as a director, vote on any contract or arrangement in which he is either directly or indirectly concerned or interested; and if he does so vote, his vote shall not be counted: Prohibition of voting by interested director.

Provided that the directors or any of them may vote on any contract of indemnity against any loss which they or any one or more of them may suffer by reason of becoming or being sureties or suraty for the company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.

91C. (1) Where a company enters into a contract for the appointment of a manager of the company in which contract any director of the company is directly or indirectly concerned or interested, or varies any such existing contract, the company shall send an abstract of the terms of such contract or variation, as the case may be, together with a memorandum clearly indicating the nature of the interest of the director in such contract, or in such variation, to every member; and the contract shall be open to the inspection of any member at the registered office of the company. Disclosure to members in case of contract appointing a manager.

(2) If a company makes default in complying with the requirements of sub-section (1), it shall be liable to a fine not exceeding one thousand rupees; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

91D. (1) Every manager or other agent of a company other than a private company who enters into a contract for or on behalf of the company in which contract the company is an undisclosed principal shall, at the time of entering into the contract, make a memorandum in writing of the terms of the contract, and specify therein the person with whom it has been made. Contracts by agents of company in which company is undisclosed principal.

(2) Every such manager or other agent shall forthwith deliver the memorandum aforesaid to the company, and such memorandum shall be filed in the office of the company and laid before the directors at the next directors' meeting.

(3) If any such manager or other agent makes default in complying with the requirements of this section—

- (a) the contract shall, at the option of the company, be void as against the company; and
- (b) such manager or other agent shall be liable to a fine not exceeding two hundred rupees."

ACT No. XII OF 1914.<sup>1</sup>

[16th September, 1914.]

An Act further to amend the Sea Customs Act, 1878.

WHEREAS it is expedient further to amend the Sea Customs Act, VIII of 1878; It is hereby enacted as follows:—

1. This Act may be called the Sea Customs (Amendment) Act, 1914.

2. In section 19 of the Sea Customs Act, 1878 (hereinafter called the said Act), for the words "or any specified part of British India" the following shall be substituted, namely, "or any specified part thereof, either generally or from or to any specified country, region, port or place beyond the limits of British India."

3. To section 38 of the said Act the following proviso shall be added, namely:—

"Provided that where the shipment of any goods is permitted without a shipping bill, or in anticipation of the delivery of a shipping bill, the rate of duty and tariff valuation, if any, applicable shall be the rate and valuation in force at the time when shipment of the goods commences."

4. In clause (b) of section 49 of the said Act, after the word "goods" the words "or any specified goods or class of goods" shall be inserted; and the words "in India" are repealed.

5. (1) In section 137 of the said Act the following words are repealed, namely:—

"Unless the Chief Customs-officer shall, in the case of any customs-port or wharf, or of any class of goods, otherwise direct by notification in the local official Gazette."

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1914, Pt. V, p. 130; and for Proceedings in Council, see *ibid*, 1914, Pt. VI, pp. 998 and 1046.

Rep. by act 1 of 1938

Short title.  
Amendment of section 19, Act VIII, 1878.

Amendment of section 38, Act VIII, 1878.

Amendment of section 49, Act VIII, 1878.

Amendment of section 137, Act III, 1878.

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1918 : Act XX.] *Companies (Foreign Interests).*

in pursuance of the Bill which would not have been payable under the new conditions affecting the tax shall be repaid or made good; and any deduction made in pursuance of the Bill shall, so far as it would not have been authorised under the new conditions affecting the tax, be deemed to be an unauthorised deduction.

14. [A declaration such as is referred to in section 2 may be made in respect of any provision of a Bill of the nature described in that section which provides for the imposition or variation of any tax in the nature of customs or excise duties and where such declaration has been made in respect of any such provisions this Act shall have effect as if references to the Bill were references to such provision.]

Application of Act to specified clause of a Bill.

ACT No. XX OF 1918.<sup>2</sup>

[26th September, 1918.]

An Act to take power to prohibit the alteration, except with the sanction of the Governor General in Council, of articles of association which restrict foreign interests in certain Companies, and to provide for other purposes connected therewith.

WHEREAS it is expedient to take power to prohibit the alteration, except with the sanction of the Governor General in Council, of articles of association which restrict foreign interests in certain companies, and to provide for other purposes connected therewith; It is hereby enacted as follows:—

1. This Act may be called the Indian Companies (Foreign Interests) Act, 1918. Short title.

2. (1) In this Act—

Definitions.

(a) the expression "British subject" has the same meaning as in section 27 of the British Nationality and Status of Aliens Act, 1914, but shall include any person who holds a certificate of naturalization as a British subject granted under any

<sup>1</sup> This section was inserted by s. 2 and Sch. I of the Repealing and Amending Act, 1923 (11 of 1923).

<sup>2</sup> For Statement of Objects and Reasons, see Gazette of India, 1918, Pt. V, p. 74; and for Proceedings in Council, see *ibid*, 1918, Pt. VI, pp. 955 and 1140.