CHAPTER vii.

An Act for the Reduction of the nominal Capital of the Assam Company and to enable the Company to raise Money by Mortgage. A.D. 1888.

[30th April 1888.]

WHEREAS the Assam Company (in this Act called "the Company") were established as a society or partnership (herein-after referred to as "the Society") with an English domicile by a deed of settlement dated the 31st day of January 1840 with a capital of 500,000*l.* in 10,000 shares of 50*l.* each for the cultivation of the tea plant in Assam and elsewhere in India and the manufacture of tea the growth thereof and the culture and preparation of other products there and dealing in the tea and products and incidental matters:

And whereas by a supplementary deed of settlement dated the 4th day of August 1840 provision was made for a local registry in India of shareholders of the Society resident in India and for a local directory of the Society in India and for yearly meetings of shareholders at Calcutta:

And whereas by Act 4 of the 10th day of February 1855 of the Governor-General of India in Council (in this Act called "the Society's Indian Act") the Company were incorporated in India for 20 years from the passing of the Society's Indian Act:

And whereas the Society acquired lands in and near to Assam and proceeded with the cultivation of the tea plant and the manufacture of tea there:

And whereas of the 10,000 shares of the capital of the Society 9,777 shares were subscribed for and 223 shares were not subscribed for and of the 9,777 shares subscribed for 419 shares were forfeited leaving 9,358 shares which were held by registered shareholders at the date of the passing of the Assam Company's Act 1865 (in this Act called "the Act of 1865"):

And whereas 6,177*l.* 10*s.* was paid on the 419 forfeited shares before they were forfeited and 20*l.* a share making in the aggregate 187,160*l.* was paid on the said 9,358 shares the total sum paid upon the 9,777 shares subscribed for being 193,337*l.* 10*s.*:

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And whereas by the Act of 1865 (with which Act save and except as therein mentioned the Companies Clauses Consolidation Act 1845 is incorporated) it was enacted that that Act should commence and have effect on and after the expiration of two months next after the day of the passing by the Legislative Council of the Governor-General of India of an Act repealing the Society's Indian Act And by the Act of 1865 the registered shareholders of the Society were incorporated by the name of the Assam Company with a capital of 500,000*l.* in 10,000 shares of 50*l.* each :

And whereas by Act Number 11 of the 12th day of March 1866 of the Governor-General of India in Council the Society's Indian Act was repealed :

And whereas of the 10,000 shares of the capital of the Company as established by the Act of 1865 9,358 shares only have been taken up being the same shares as were held by registered shareholders in the Society at the time of the passing of the Act of 1865 and on which shares 20*l.* per share only has been paid :

And whereas the paid-up capital of the Company now amounts to 193,337*l.* 10*s.* :

And whereas by an Act of Parliament passed in the 39th and 40th years of the reign of Her present Majesty intituled "The Assam Company's (Reduction of Capital) Act 1876" it was enacted that Section 16 (Capital Stock) of the Act of 1865 should be repealed and that from and after the passing of the Act of 1876 the capital of the Company should be 300,000*l.* in 10,000 shares of 30*l.* each and that of the said 10,000 shares 9,358 shares then held by shareholders of the Company should be deemed to have 20*l.* per share paid up :

And whereas prior to and since the passing of the Act of 1876 the Company have out of their revenue as well as out of their capital expended on their Assam Estates very large sums of money and at the time of the application for this Act the Company had and still have a reserve fund amounting to 40,574*l.* 16*s.* 1*d.* :

And whereas the last call made on the shares of the Society was made in the year 1843 and no call has ever been made on the shares of the Company :

And whereas the Company owes no debts in Assam or elsewhere other than such small debts as are incidental to its ordinary working expenses in the production of the current year's crop and the Company is under no liability in Assam or elsewhere other than such liability as is incidental to the ordinary production of the current year's crop :

And whereas the dividends paid to the shareholders out of the profits of the Company during 25 years last past have amounted to

the sum of 818,825*l.* being at the average rate of 17*l.* 10*s.* per centum per annum on the paid-up capital of the Company :

And whereas the Company contemplate in the interests of their undertaking the necessity for the purchase of further lands in Assam for the purpose of consolidating their estates in India :

And whereas the Company do not at present possess any borrowing powers :

And whereas it is expedient that the Company should be empowered to raise a sum of money not exceeding 30,000*l.* by mortgage of their undertaking and it is expedient that the Company be authorised to raise the said sum of 30,000*l.* by the issue of mortgages to be redeemed within a fixed period :

And whereas regard being had to the lapse of time prior to the incorporation of the Company during which no call was made on the shares of the Society and to the fact that no call has ever been made on the shares of the Company and to the present state and prospects of the Company's affairs it is expedient that the nominal capital of the Company should be reduced to 200,000*l.* divided into 10,000 shares of 20*l.* each and that the said 9,358 shares now held by the shareholders of the said Company shall be deemed to be fully paid up :

And whereas the purposes of this Act 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 Assam Company's Act 1888 and the Acts of 1865 and 1876 and this Act may be cited together as the Assam Company's Acts 1865 1876 and 1888.

Interpretation of terms.

2. In this Act unless there be something in the subject or context repugnant to such construction the expression "the Acts of 1865 and 1876" means respectively the Assam Company's Act 1865 and the Assam Company's (Reduction of Capital) Act 1876 and the expression "the Company" means the Assam Company incorporated by the Act of 1865. The expression "the undertaking" means the undertaking of the Company.

Reduction of capital.

3. Section 4 of the Act of 1876 shall be and is hereby repealed and from and after the passing of this Act the capital of the Company shall be two hundred thousand pounds in ten thousand shares of twenty pounds each and of the said ten thousand shares the said nine thousand three hundred and fifty-eight now held by

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shareholders of the Company shall be deemed to be of the nominal amount of twenty pounds and to be fully paid up.

Saving liability of shareholders of the Company.

4. The reduction of the capital of the Company by this Act shall not release any shareholder from any liability in respect of any debt incurred or obligation entered into by the Company before the passing of this Act.

Incorporation of general Act.

5. The clauses and provisions of the Companies Clauses Consolidation Act 1845 with respect to the distribution of the capital of the Company into shares the borrowing of money by the Company on mortgage or bond and the provision to be made for affording access to the special Act by all parties interested are (except where expressly varied by this Act) incorporated with and form part of this Act.

Power to borrow.

6. It shall be lawful for the Company from time to time to borrow and re-borrow on mortgage of the undertaking such sums as they may require not exceeding at any time the sum of thirty thousand pounds: Provided always that any sums secured by mortgage under the provisions of this section shall be repaid by the Company within ten years from the date of the mortgage.

For appointment of a receiver.

7. The mortgagees of the undertaking may enforce payment of arrears of interest or principal or principal and interest due on their mortgages by the appointment of a receiver. In order to authorise the appointment of a receiver in respect of arrears of principal the amount owing to the mortgagees by whom the application for a receiver is made shall not be less than one thousand pounds.

Application of moneys.

8. All moneys raised under the powers of this Act shall be applied only for the purposes of the Company's undertaking to which capital is properly applicable.

Costs of Act.

9. All the costs charges and other expenses of and incidental to the applying for obtaining and passing of this Act shall be borne and paid by the Company.

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