CHAPTER lxxxvii.

An Act for authorising the Cordoba Central Railway Company Limited to prepare and carry into effect a scheme of arrangement with its debenture stock holders creditors or shareholders or any class or classes of such persons and for other purposes. [20th July 1894.] A.D. 1894.

WHEREAS the Cordoba Central Railway Company Limited (herein-after called "the Company") was incorporated under the Companies Acts 1862 and 1888 on the eleventh day of August one thousand eight hundred and eighty-seven with a capital of six hundred thousand pounds divided into twenty thousand preferred shares of twenty pounds each and ten thousand deferred shares of twenty pounds each with the object (amongst others) of constructing and working a railway about one hundred and twenty-eight and a half miles in length in the province of Cordoba in the Argentine Republic under and in conformity with a law of concession of the Government of that province dated the third day of November one thousand eight hundred and eighty-five:

And whereas under the terms of the Company's memorandum and articles of association such preferred shares are entitled to priority in distribution of assets over the said deferred shares and to a preferential cumulative dividend at the rate of seven per centum per annum and to half the surplus profits in each year after payment of the said preferential dividend and of a non-cumulative dividend at the rate of seven per centum per annum on the amount of the said deferred shares and such deferred shares are entitled to a non-cumulative dividend at the rate of seven per centum per annum and to the other half of such surplus profits:

And whereas the whole of such twenty thousand preferred shares and ten thousand deferred shares have been issued and are fully paid:

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And whereas the said railway has been constructed and is now being worked by the Company:

And whereas for the purpose of constructing such railway the Company has issued four hundred thousand pounds of five per centum debenture stock which stock is a first charge upon the said railway:

And whereas the Company has acquired and is now working the Central Northern Railway from Cordoba to Tucuman in the Argentine Republic together with branches from Frias to Santiago and from Recreo to Chambicha (together about five hundred and fifty miles in length) under the terms of a concession from the Argentine Government dated the twenty-first day of October one thousand eight hundred and eighty-seven:

And whereas for the purpose of the acquisition reconstruction and equipment of the said Central Northern Railway and branches the Company has issued four million one hundred and sixty-six thousand six hundred and sixty-six pounds of five per centum debenture stock which stock is a first charge upon the said Central Northern Railway and upon the subsidy herein-after mentioned and (subject to the charge in respect of the said four hundred thousand pounds of debenture stock) upon all other property of the Company:

And whereas by the last-mentioned concession the Argentine Government guaranteed for fifteen years interest at five per centum per annum on the amount of the debenture stock so issued by the Company in respect of the said Central Northern Railway and branches which interest amounts to the sum of two hundred and eight thousand three hundred and thirty-three pounds six shillings per annum and it was provided that such Government was to pay half-yearly to the Company the full guaranteed interest but the Company is bound to pay all the profits derived from the said last-mentioned railway and branches to the said Government until the Company has repaid all the sums received from the said Government in respect of the said guarantee together with interest thereon at five per centum per annum:

And whereas the sum which has to be so repaid to the said Government in respect of the said guaranteed interest already received by the Company amounts to upwards of four hundred thousand pounds:

And whereas owing to the postponement of payments by the Argentine Government the Company is unable to meet its engagements and the Company has been since the twenty-fifth day of March one thousand eight hundred and ninety-two and is unable to pay the interest upon its debenture stock:

And whereas the Company is advised that under the Argentine law if it went into liquidation under the Companies Acts 1862 to 1890 the Argentine Government in respect of the sums paid by it for the said guaranteed interest and any other creditors in the Argentine Republic would take priority over the holders of the debenture stock issued by the Company and that the said concessions might be forfeited and the large amount of English capital embarked in the undertakings of the Company be sacrificed :

And whereas it is expedient that the Company should have power to raise further capital :

And whereas it is expedient that an arrangement should be come to between the Company and the debenture stock holders creditors and shareholders thereof and other persons interested therein under which the obligations of the Company may be provided for and the said railways be carried on :

And whereas the objects 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 Cordoba Central Railway Company (Limited) Act 1894.

Interpretation.

2. In this Act the term "the Company" means the Cordoba Central Railway Company Limited the term "Court" means the Chancery Division of the High Court of Justice in England the term "the Gazette" means the London Gazette.

Power to prepare scheme of arrangement.

3. The directors of the Company may prepare and file in the Court a scheme of arrangement between the Company and its debenture stock holders and other creditors secured or unsecured or any class or classes of such debenture stock holders or other creditors and its shareholders or any class of its shareholders for all or any of the purposes herein-after mentioned (that is to say) :—

(A.) For altering postponing releasing or extinguishing all or any of the rights of any debenture stock holders or other creditors secured or unsecured or shareholders against or with reference to the Company or its assets including assets upon which any debenture stock or debt may be charged or in the case of shareholders with regard to the Company's profits capital or surplus assets :

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(B.) For enabling the Company to enter into and give effect to any compromise or arrangement with the Government of the Argentine Republic with reference to any guarantee of or subsidy by such Government or with reference to any claim on the part of the said Government to repayment of any money paid in respect of any guarantee or subsidy or to enter into and give effect to any arrangement with any persons or class or classes of persons for the substitution for any sum payable in cash by the Company of bonds of the Government of the Argentine Republic upon any basis :

(C.) For enabling the Company to create and issue debentures debenture stock or shares of any kind or class in substitution upon any terms for any existing debenture stock or shares of any class or in satisfaction of any debt or liability of the Company and to extinguish any existing debenture stock or shares for which such debentures debenture stock or shares shall have been substituted :

(D.) To enable the Company to reduce subdivide or consolidate its shares or to increase its capital by the issue of shares having any preference or priority over any existing shares whether preference or ordinary shares or to issue any debentures or debenture stock ranking prior to or pari passu with any existing debenture stock :

(E.) Generally for the purpose of carrying into effect any compromise or arrangement between the Company and all or any class or classes of its debenture holders debenture stock holders creditors or shareholders.

Scheme may vary memorandum and articles of association.

4. A scheme so prepared may vary the memorandum and articles of association of the Company in so far as necessary to give effect to such scheme and on a scheme becoming binding and effectual under the provisions of this Act the memorandum and articles of association of the Company shall be deemed to be varied in such manner as may be provided in the scheme.

As to expenses &c.

5. A scheme so prepared may provide how the costs and expenses of and incident thereto or of or incident to the carrying out thereof are to be raised and paid and power may be thereby given to any person or persons named to determine all or any questions arising thereout.

Court may stay actions.

6. After the filing of a scheme the Court may on the application of the Company on summons or motion stay any action or proceeding within its jurisdiction against the Company on such terms as the Court thinks fit temporarily or altogether.

Notice to be published.

7. Notice of the filing of a scheme shall be published in the Gazette and also in the Argentine Republic if and in such manner as the Court shall direct.

As to executions &c.

8. After such publication of notice no execution attachment or other process within the jurisdiction of the Court shall be available against the Company without the leave of the Court.

Withdrawal of scheme before confirmation.

9. With the leave of the Court a scheme filed may at any time before confirmation be withdrawn and a new scheme filed in lieu thereof provided that notice of the filing of the substituted scheme shall be published in the same way as in the case of the scheme originally filed.

As to approval of scheme.

10. A scheme shall be deemed to be assented to by all the holders of the debentures or debenture stock or preferred shares of the Company of any one class or issue when it is assented to in writing by three-fourths in value of the holders of the debentures or debenture stock or shares of the class or issue and shall be deemed to be assented to by all the unsecured creditors of the Company when it is assented to in writing by three-fourths in value of such creditors and shall be deemed to be assented to by all the creditors secured or unsecured of the Company of any class (other than holders of debentures or debenture stock) when it is assented to in writing by three-fourths in value of the creditors of the class Provided that if the directors of the Company shall be unable to obtain the assent of the required majority of any such class or classes they may apply to the Court by summons or motion to dispense with such assent and the Court if satisfied that such assent is not bonâ fide withheld and that the scheme is under all the circumstances of the case fair and equitable towards the persons who withhold their assent may dispense with such assent either absolutely or on such terms as the Court may prescribe and proceed as if the assent of the required majority of the class had been obtained.

Assent of deferred shareholders to scheme.

11. A scheme shall be deemed to be assented to by the deferred shareholders of the Company and by the Company when it is assented to at an extraordinary general meeting of the Company specially called for the purpose.

Assents not required in certain cases.

12. The assent to a scheme of any class of debenture or debenture stock holders creditors or preferred shareholders shall not be requisite in case the scheme does not prejudicially affect any right or interest of such class.

Petition for confirmation of scheme.

13. If within such time from the filing of a scheme or within such extended time as the Court from time to time thinks fit to

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prescribe the directors of the Company consider the same to be assented to as by this Act required they may apply to the Court by summons or motion for confirmation of such scheme Notice of any such application when intended shall be published in the Gazette and also in the Argentine Republic if and in such manner as the Court shall direct but unless by the direction of the Court it shall not be necessary to serve such notice on any person.

Confirmation of scheme.

14. After hearing the directors and any creditors or shareholders of the Company or other parties whom the Court thinks entitled to be heard the Court if satisfied that the scheme has been within the time or the extended time prescribed by the Court assented to as required by this Act and that no sufficient objection to the scheme has been established may confirm the same with such modification (if any) as the Court may approve.

Scheme when confirmed to be binding.

15. A scheme when confirmed shall be binding and effectual to all intents and the provisions thereof shall against and in favour of the Company and all parties assenting thereto or bound thereby have the like effect as if they had been enacted by Parliament.

Notice of confirmation.

16. Notice of the confirmation of a scheme shall be published in the Gazette and also in the Argentine Republic if and in such manner as the Court shall direct.

Scheme to be recorded.

17. Within one month from the making of the order confirming a scheme by the Court the directors of the Company shall if the same vary the memorandum or articles of association of the Company forward to the Registrar of Joint Stock Companies a copy of the scheme which shall be recorded by him There shall be paid in respect of every such copy to the registrar a fee of five shillings.

Copy of Act to be registered.

18. The Company shall forward to the Registrar of Joint Stock Companies a printed copy of this Act and it shall be recorded by him and if such copy is not forwarded within three months from the passing of this Act the Company shall incur a penalty not exceeding two pounds for every day after the expiration of those three months during which the copy is omitted to be forwarded and every director and manager of the Company who knowingly and wilfully authorises or permits such default shall incur the like penalty and every penalty under this Act shall be recoverable summarily.

Copies of provisions varying memorandum &c. to be issued.

19. If a scheme provides for any alteration in the memorandum or articles of association of the Company a copy of the provisions of the scheme relating to such alterations shall as from the time when the scheme becomes binding be annexed to or embodied in

every copy of the memorandum and copy of the articles of association that may thereafter be issued and shall be forwarded in print by the Company to any member thereof requesting the same on payment of one shilling or such less sum as the directors may think fit and if the Company makes default in complying with the provisions of this section it shall incur the like penalty recoverable in the same way as is provided by section 54 of the Companies Act 1862 in case of default in complying with the provisions thereof.

Assenting trustees not to be liable.

20. No person holding debenture stock of or shares in the Company as trustee or claiming in respect of any trust estate or in respect of the estate of any deceased person or as trustee in bankruptcy as a creditor or shareholder of the Company shall incur any liability whatsoever by consenting to or voting in favour of any scheme prepared under the powers conferred by this Act.

Costs of Act.

21. All costs charges and expenses of and incident to the preparing obtaining and passing of this Act or otherwise in relation thereto shall be paid by the Company.

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