CHAPTER xc.

An Act to increase the Share Capital of the Cordoba Central Railway Company Limited and to vary its regulations with regard to division of profits and for other purposes. [15th July 1897.]

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WHEREAS the Cordoba Central Railway Company Limited (herein-after called "the Company.") was incorporated under the Companies Act 1862 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:

And whereas the said railway has been constructed and is now being worked by the Company and the Company has acquired and is now working the Central Northern Railway from Cordoba to

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Tucuman in the Argentine Republic together with branches from Frias to Santiago and from Recreo to Chumbicha (together about five hundred and fifty miles in length and known as the Central Northern Section) 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 in pursuance of a scheme of arrangement sanctioned by Her Majesty's High Court of Justice on the twentieth day of March one thousand eight hundred and ninety-five under the powers conferred by the Cordoba Central Railway Company (Limited) Act 1894 the Company created stock called income debenture stock to the nominal amount of two million seven hundred and fifty thousand pounds and by subsection (B) of the third clause of such scheme it was provided that the holders of such stock should be entitled (1) to distribution among them rateably (according to the nominal amount of the stock held by them respectively) of the net revenue for each year (commencing with the year one thousand eight hundred and ninety-four) of the said Central Northern Section remaining after payment thereout of certain working expenses and interest upon the Company's four per centum debenture stock and (2) to distribution among them (according to the nominal amount of stock held by them respectively) out of the remaining profits of each year (commencing with the year one thousand eight hundred and ninety-five) of such a sum as would according to the articles of association of the Company as altered by the scheme be payable as dividend on fully paid preferred shares of the Company of the nominal amount of one hundred thousand pounds were the total issue of preferred shares increased to five hundred thousand pounds:

And whereas by the said scheme the articles of association were varied (A) so as to enable each holder of income debenture stock to the amount of fifty pounds and upwards to attend personally or by proxy and vote in the same way as a member at general meetings of the Company each such holder being entitled to one vote for every fifty pounds of income debenture stock held by him and (B) by striking out Article 86 by which the distribution of profits had theretofore been regulated and by substituting therefor the following article:—

"The profits of the Company (in excess of the net revenue of
" the Central Northern Section of the Company's railway
" distributable among holders of new income debenture
" stock) shall be applied subject as herein-after provided
" first in payment of a cumulative dividend at the rate of
" seven per centum per annum on the amount paid or

" credited as paid on the preferred shares and in providing
" the sum payable out of such profits (pari passu with the
" cumulative dividend) to the new income debenture stock
" holders under the terms of issue and subject thereto in
" payment to and among the holders of the deferred shares
" of a non-cumulative dividend of seven per centum per
" annum on the amount for the time being paid or credited
" as paid on their shares The residue of such profits shall
" be divided into moieties one of which shall belong to and
" be divided among the holders of preferred shares and
" holders of new income debenture stock in the proportion
" of one-fifth to the holders of new income debenture stock
" (distributable among them in proportion to the stock held
" by them respectively) and four-fifths to the preferred
" shareholders (to be divided according to the amount of
" preferred shares held by them respectively) and the other
" shall belong to and be divided among the holders of
" deferred shares (in proportion to the amount paid or
" credited as paid on their shares respectively)":

And whereas the profits of the Company available for the purpose have been insufficient to pay in full the preferential dividend of seven per centum per annum on the said preferred shares and the arrears of such dividend to the thirty-first day of December one thousand eight hundred and ninety-four amount in the aggregate to one hundred and forty-nine thousand nine hundred and seventy-two pounds:

And whereas five per centum only was paid on the said preferred shares in respect of the year ending the thirty-first day of December one thousand eight hundred and ninety-five making the total arrears as at that date one hundred and fifty-seven thousand nine hundred and seventy-two pounds:

And whereas in addition thereto two per centum on the one hundred thousand pounds preferred shares deemed to be held by the holders of the income debenture stock is in arrear in respect of the year ending the thirty-first day of December one thousand eight hundred and ninety-five:

And whereas it is anticipated that the profits made by the Company during the year ending the thirty-first day of December one thousand eight hundred and ninety-six will prove to be sufficient to enable the Company to pay off the said two per centum on the one hundred thousand pounds preferred shares deemed to be held by the holders of the income debenture stock to provide for the amount which would be payable to the income debenture stock holders for the said year if a dividend of seven per centum were

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declared for that year on the preferred shares and also to enable a distribution of ten per centum to be made on the four hundred thousand pounds preferred share capital and to thus reduce the arrears of dividend as on the thirty-first day of December one thousand eight hundred and ninety-six on the said preferred shares to one hundred and forty-five thousand nine hundred and seventy-two pounds:

And whereas the existence of such arrears prejudicially affects the value of all the Company's securities and shares and generally affects the Company's credit and precludes the possibility of the payment of any dividend on the deferred shares:

And whereas the Company requires additional capital for the purposes of its undertaking which it is difficult to raise so long as the above-mentioned arrears of dividend exist:

And whereas it is expedient that the arrears of dividend on the preferred shares should be capitalised and the rate of dividend payable thereon should be reduced and that in other respects the regulations of the Company relating to distribution of profits should be varied in manner herein-after appearing:

And whereas by virtue and in exercise of the right of voting conferred upon them as aforesaid the holders of the income debenture stock as well as the holders of the preferred and deferred shares have consented to this Act by a special resolution passed unanimously at a meeting held on the twenty-sixth day of January one thousand eight hundred and ninety-seven and confirmed at a meeting held on the tenth day of February one thousand eight hundred and ninety-seven:

And whereas the objects aforesaid 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 1897.

Interpretation.

2. In this Act the term "the Company" means the Cordoba Central Railway Company Limited.

Commencement of Act.

3. This Act shall come into operation on and shall take effect from the date of the distribution by the Company of the profits made by the Company during the year ending the thirty-first day of December one thousand eight hundred and ninety-six or of the passing of this Act whichever event shall last happen.

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Company's capital increased.

4. From and after the commencement of this Act the capital of the Company shall be and is hereby increased by the sum of four hundred thousand pounds such additional capital to consist of ten thousand preferred shares of twenty pounds each ranking pari passu both as regards dividends and distribution of assets and as one issue with the existing preferred shares and ten thousand second preference shares of twenty pounds each.

Deficiency in dividend on income debenture stock for 1895 and 1896 to be made good.

5. There shall be paid out of the profits which would save for this provision be applicable to the payment of dividend of the Company for the year ending the thirty-first day of December one thousand eight hundred and ninety-seven or if they be insufficient out of the profits of subsequent years as a first charge thereon the difference (if any) between the interest paid in respect of the years one thousand eight hundred and ninety-five and one thousand eight hundred and ninety-six upon the said income debenture stock and the interest which would have been payable thereon had a dividend of seven per centum been declared for each of those years on the preferred shares.

Altering scheme of arrangement as regards division of profits.

6. In lieu of the share of profits to which the holders of income debenture stock are entitled under sub-clause (2) of section (B) of the third clause of the said scheme of arrangement in respect of profits of the Company earned after the thirty-first day of December one thousand eight hundred and ninety-six they shall be entitled to such a sum as would under the articles of association of the Company as hereby varied be divisible among holders of fully-paid preferred shares for one hundred and forty thousand pounds the amount for the time being credited as paid on preferred shares including those created by this Act being deemed for the purpose of computation to be increased by one hundred and forty thousand pounds All sums to which the holders of income debenture stock may become so entitled shall be distributed among the several holders in proportion to the nominal amount of income debenture stock held by them respectively.

Altering articles of association.

7. As from the commencement of this Act the articles of association of the Company shall be and be deemed to be altered as follows :—

(A.) By striking out Article 30 and substituting therefor the words—

" In case the Company be wound up the surplus assets
" distributable among the members shall be applied in
" the first place in or towards payment to the several
" holders of preferred shares pari passu the amount
" credited as paid on preferred shares held by them

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" respectively next in or towards payment to the several
" holders of second preference shares pari passu the
" amount credited as paid on the second preference
" shares held by them respectively and the balance
" shall be distributed among the holders of deferred
" shares in proportion to the amounts credited as paid
" on deferred shares held by them respectively ":

(B.) By striking out Article 86 inserted by the said scheme of arrangement and by substituting therefor the words—

" The profits of the Company for the year ending the
" thirty-first day of December one thousand eight
" hundred and ninety-seven and for each subsequent
" year (in excess of the net revenue of the Central
" Northern Section of the Company's railway distribu-
" table among the holders of income debenture stock)
" available for distribution shall be applied as follows
" and in the following order of priority (that is to say)
" In payment of the amount (if any) payable to the
" holders of income debenture stock in respect of the
" profits of the year ending the thirty-first day of
" December one thousand eight hundred and ninety-
" five next in making up (if required) the dividend
" paid in respect of the year ending the thirty-first day
" of December one thousand eight hundred and ninety-
" six on the preferred shares then issued including
" those deemed to be held at that time by the income
" debenture stockholders to seven per centum and next
" in or towards payment of a cumulative dividend at
" the rate of five per centum per annum as from the
" first day of January one thousand eight hundred and
" ninety-seven on the amounts credited as paid on the
" preferred shares for the time being outstanding
" (including the sums payable out of such profits to
" the holders of income debenture stock) in or towards
" payment of a dividend of five per centum for the
" year on the amounts credited as paid on the second
" preference shares in or towards payment of a dividend
" of five per centum for the year on the amounts
" credited as paid on the deferred shares and the
" balance of such profits for each year shall be divided
" into three equal parts of which two shall belong to
" the holders of preferred shares and the holders of
" income debenture stock and be divided as herein-after
" mentioned and the other shall be distributed among

" the holders of deferred shares in proportion to the amounts credited as paid on the deferred shares held by them respectively The two-third parts to belong to the holders of preferred shares and income debenture stock as aforesaid shall be dealt with as follows four-fifths thereof shall be distributed among the holders of the preferred shares including those created by the Cordoba Central Railway Company (Limited) Act 1897 in proportion to the amounts paid on the preferred shares held by them respectively and the remaining fifth shall be divided among the holders of income debenture stock in proportion to the nominal amount of such stock held by them respectively."

Articles of association as varied to be the regulations of the Company.

8. The said articles of association as so varied shall from the commencement of this Act be the regulations of the Company and shall prevail over clause 5 of the memorandum of association of the Company if and so far as inconsistent therewith but the Company shall have the like power (if any) to alter the same as if the alterations made by this Act could have validly been made and had been made by special resolution of the Company.

How capital created by the Act to be allotted.

9. Of the capital created by this Act eight thousand preferred shares and six thousand second preference shares (or the stock resulting from the conversion of such preferred and second preference shares under the power to convert herein-after contained) shall forthwith after the commencement of this Act be allotted to and among the holders of the preferred shares of the original capital in proportion to the number of original preferred shares held by them respectively in compensation for loss sustained by the reduction hereby effected of the rate of preferential dividend payable thereon and in satisfaction of such arrears of dividend as aforesaid all right to which arrears is hereby extinguished and the balance of the preferred shares and second preference shares may be issued by the directors of the Company in accordance with its regulations relating to the issue of shares of the original capital but so that no such share shall be issued at a discount.

New shares or stock to form part of general capital.

10. The shares or stock allotted under this Act to holders of preferred shares shall be allotted and held as fully paid for all intents and purposes and all shares created by this Act and the stock resulting from the conversion thereof shall form part of the general capital of the Company and the regulations of the Company shall apply thereto accordingly.

Power to convert original

11. The directors of the Company may without the sanction of a general meeting of the Company exercise with regard to the

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shares and new shares into stock.

preferred and deferred shares of the original capital and the preferred and second preference shares created by this Act the powers contained in the Company's regulations for converting paid-up shares into stock and such power may be exercised with regard to the shares to be in pursuance of this Act allotted as fully paid either before or after such allotment provided that no share other than those to be allotted to holders of original preferred shares under this Act shall be converted into stock unless fully paid The stock resulting from the conversion of preferred shares shall be called first preference stock that resulting from the conversion of second preference shares shall be called second preference stock and that resulting from the conversion of deferred shares shall be called ordinary stock and the several stocks shall be so designated in the certificates issued in respect thereof.

Act to be filed with Registrar of Joint Stock Companies.

12. A printed copy of this Act shall be filed by the Company with the Registrar of Joint Stock Companies who shall receive and file the same and if such copy shall not be delivered to the registrar within three months from the passing of this Act the Company shall incur a penalty not exceeding ten pounds for every day after the expiration of the said three months during which the Company shall omit to deliver the said copy and every director and manager of the Company who shall knowingly and wilfully authorise or permit such default shall incur the like penalty and every penalty under this section shall be recoverable summarily.

Act to be annexed to memorandum and articles of association.

13. To every copy of the memorandum and articles of association of the Company supplied after the passing of this Act to any member under the provisions of section 19 of the Companies Act 1862 there shall be annexed a copy of this Act which for the purposes of that section shall be treated as part of the memorandum and articles of association of the Company.

Costs of Act.

14. The costs charges and expenses preliminary to and of and incidental to the preparing of and applying for and the obtaining and passing of this Act and carrying the same into effect shall be paid by the Company.

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