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CAP. XXVI.

An Act to enable certain guaranteed *Indian* Railway Companies to raise Money on Debenture Stock.

[29th *May* 1868.]

WHEREAS the Railway Companies severally known as the *Great Indian Peninsula* Railway Company, the *East Indian* Railway Company, the *Madras* Railway Company, the *Bombay, Baroda, and Central India* Railway Company, the *Scinde* Railway Company, the *Eastern Bengal* Railway Company, and the *Oude and Rohilcund* Railway Company, Limited, were constituted and incorporated by Acts of Parliament, or by Certificate under Act of Parliament, for the Purpose of constructing, maintaining, and working Railways in *India;* and the said Companies have, under Powers vested in them by their Acts, or otherwise vested in them, entered into terminable Contracts and Arrangements with the *East India* Company, or with the Secretary of State in Council of *India*, with respect to their Undertakings, and they have in exercise of such Powers, with the Sanction of the *East India* Company, or the Secretary of State in Council of *India*, raised Capital by the Issue of Shares or Stock, and have borrowed Money for their Undertakings on the Security of Mortgages or Bonds:

And whereas it is expedient that each of the said Companies should be empowered to create, with the Sanction of the Secretary

of State in Council of *India*, Debenture Stock in lieu of Borrowing or in Substitution for, or for the Discharge of, Mortgages or Bonds:

Be it therefore 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:

Power to each Company to create and issue Debenture Stock, with the Sanction of the Secretary of State in Council of India.

1. Each of the said Companies may from Time to Time, with the Sanction of the Secretary of State in Council of *India*, and of Three Fifths of the Votes of its Shareholders and Stockholders entitled to vote in that Behalf at Meetings of the Company, present in Person or by Proxy at any Extraordinary Meeting convened with Notice of this Purpose, raise all or any Part of the Money which for the Time being the Company has raised or is authorized to raise on Mortgage or Bond by the Creation and Issue at such Times, in such Amounts and Manner, on such Terms, at such Price, subject to such Conditions, and with such Rights and Privileges, as the Secretary of State in Council of *India* shall think fit, of Stock to be called Debenture Stock, instead of and to the same Amount as the whole or any Part of the Money which may for the Time being be owing by the Company on Mortgage or Bond, or which the Company may from Time to Time have Power to raise on Mortgage or Bond, and may, with such Sanction of its Shareholders and Stockholders as aforesaid, attach to the Stock so created such fixed and perpetual irredeemable, redeemable, variable, or other Interest at such Rate, payable half-yearly or otherwise, and commencing at once or at any future Time or Times, when and as the Debenture Stock shall be issued or otherwise, as the Secretary of State in Council of *India* shall think fit.

The following Provisions to apply to Debenture Stock.

2. All the Provisions following shall apply to every Case of One of the said Companies exercising the Power herein-before given for raising Money by the Creation and Issue of Debenture Stock; (that is to say,)

Debenture Stock to be a prior Charge.

1. The Debenture Stock, with the Interest thereon, shall be a Charge upon the Undertaking of the Company prior to all other Stock or Shares of the Company, and shall be transmissible and transferable in the same Manner and according to the same Regulations and Provisions as other Stock of the Company, and shall in all other respects have the Incidents of Personal Estate.

Interest on Debenture Stock to be a primary Charge.

2. The Interest on Debenture Stock shall have Priority of Payment over all Dividends or Interest on any other Stock or Shares of the Company, and shall rank next to the Interest payable on the Mortgages or Bonds for the Time being of the Company legally granted before the Creation of such Stock, but the Holders

Holders of Debenture Stock shall not as among themselves be entitled to any Preference or Priority.

Debenture Stock to be registered.

3. The Company shall cause Entries of the Debenture Stock from Time to Time created to be made in a Register to be kept for that Purpose, wherein they shall enter the Names and Addresses of the several Persons and Corporations from Time to Time entitled to the Debenture Stock, with the respective Amounts of the Stock to which they are respectively entitled, and any Instalments by which the Price or Subscription for any Debenture Stock may be made payable shall be recoverable as Calls are recoverable under "The Companies Clauses Consolidation Act, 1845."

Company to declare Certificate to Holders of Debenture Stock.

4. The Company shall deliver to every Holder of Debenture Stock a Certificate stating the Amount of Debenture held by him, and all Regulations or Provisions for the Time being applicable to Certificates of Shares in the Capital of the Company shall apply, *mutatis mutandis*, to Certificates of Debenture Stock.

Mortgagees not to be affected by this Act.

5. Nothing herein contained shall in any way affect any Mortgage or Bond at any Time legally granted by the Company before the Creation of such Stock, or any Power of the Company to raise Money on Mortgage or Bond, so far as such Power is not by this Act expressly extinguished; but the Holders of all such Mortgages and Bonds shall, during the Continuance thereof, respectively be entitled to the same Priorities, Rights, and Privileges in all respects as they would have been entitled to if this Act had not been passed.

Holders of Debenture Stock not to vote.

6. The Debenture Stock shall not entitle the Holders thereof to be present or vote at any Meeting of the Company, or confer any Qualification with reference to the Government thereof, but shall in all respects, not otherwise by this Act provided for, be considered as entitling the Holders to the Rights and Powers of Mortgagees of the Undertaking other than the Right to require Repayment of the Principal Money paid up in respect of the Debenture Stock: Provided always, that if on the Issue of any such Stock the Company shall have agreed to repay the Principal Money at a fixed Time, the Holders thereof shall be entitled to be repaid their Principal Money at such fixed Time.

Application of Money raised.

7. The Money raised by Debenture Stock shall be applied exclusively either in paying off Money due by the Company on Mortgage or Bond, or else for the Purposes to which the same Money would be applicable if it were raised on Mortgage or Bond instead of on Debenture Stock; provided

provided always, that the Receipt, Disposal, and Application of all Monies raised by the Debenture Stock shall be at all Times and in all respects subject to the Supervision, Direction, and Control of the Secretary of State in Council of *India*.

Separate Accounts to be kept of Debenture Stock.

8. Separate and distinct Accounts shall be kept by the Company showing how much Money has been received for or on account of Debenture Stock, and how much Money borrowed or owing on Mortgage or Bond for which they have Power so to borrow has been paid off by Debenture Stock or raised thereby instead of being borrowed on Mortgage or Bond.

Borrowing Powers extinguished.

9. The Powers of borrowing and reborrowing by the Company shall, to the Extent of the nominal Amount of the Debenture Stock for the Time being issued, be extinguished.

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