

ACT NO. XII OF 1918.

[PASSED BY THE INDIAN LEGISLATIVE COUNCIL.]

(Received the assent of the Governor General on the 22nd March, 1918.)

An Act to control the withdrawal of capital from the money-market by Companies.

WHEREAS it is expedient owing to the present war to take power to control the withdrawal of capital from the money-market by Companies; It is hereby enacted as follows:—

1. (1) This Act may be called the Indian Companies Restriction Act, 1918. Short title and duration.

(2) It shall remain in force during the continuance of the present war, and for a period of six months thereafter.

2. All words and expressions used in this Act and defined in the Indian Companies Act, 1913, shall be deemed to have the meanings respectively attributed to them by that Act. Definitions.

3. (1) Notwithstanding anything in the Indian Companies Act, 1913, the Registrar shall not register a company, nor shall a company increase its share capital, issue debentures, or call up unpaid capital, unless the company holds a license in this behalf issued by the Governor General in Council: Prohibition of the registration of, or increase of share capital by, companies except under license.

Provided that nothing in this sub-section shall apply to a private company.

(2) A license issued under sub-section (1) shall be subject to such conditions as the Governor General in Council may think fit, and the holder of such license shall comply with any such conditions.

4. Any contract made by or on behalf of a company, with the object or the effect of increasing its share capital, or for the issue of debentures, which is in contravention of the provisions of section 3, shall be void, and any call made by a company in contravention of the said provisions shall be unenforceable. Contracts made for the purpose of increasing share capital in contravention of section 3, to be void, and calls to be unenforceable.