



CHAPTER ii.

An Act for authorising the Buenos Ayres and Pacific Railway Company Limited and the Buenos Ayres and Pacific Railway Equipment and Goods Depôt Company Limited respectively to prepare and carry into effect a scheme or schemes of arrangement with their respective Debenture Stock Holders Creditors or Shareholders or any class or classes of such persons or with the Debenture Stock Holders Creditors or Shareholders of each other and to amalgamate their undertakings and for other purposes. A.D. 1893.

[28th March 1893.]

WHEREAS the capital of the Buenos Ayres and Pacific Railway Company Limited (hereinafter called the Railway Company) is one million four hundred thousand pounds consisting of one million pounds seven per cent. preferred stock five thousand seven per cent. second preferred shares of twenty pounds each and fifteen thousand deferred shares of twenty pounds each all of which shares are paid up :

And whereas the Railway Company under concessions from the Government of the Argentine Republic has constructed and now works a system of railways known as the Buenos Ayres and Pacific Railway in the Argentine Republic extending from Villa de Mercedes to Mercedes and thence to the city of Buenos Ayres :

And whereas under the terms of the said concessions the Company is entitled to receive from the Argentine Government for the terms of years mentioned in the said concessions an annual subsidy of one hundred and sixty-one thousand eight hundred and fifty-seven pounds six shillings and sixpence by way of guaranteed interest upon capital raised for the purposes of the section of the said railway between Villa de Mercedes and Mercedes and an annual subsidy of twenty-nine thousand nine hundred and sixty-seven pounds seventeen shillings and tenpence by way of guaranteed interest upon capital

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A.D. 1893. raised for the purpose of the section of the said railway between Mercedes and the city of Buenos Ayres :

And whereas by the terms of the said concessions the amounts which may be received by the Railway Company from the Argentine Government in respect of the said subsidies are to be repaid to such Government out of the net proceeds of working the said railways after the interest has been paid upon the capital in the terms of the concessions :

And whereas the sum which has to be so repaid to such Government in respect of the subsidies already received by the Railway Company amounts to upwards of nine hundred thousand pounds :

And whereas the Railway Company has issued one million three hundred and twelve thousand three hundred and forty pounds seven per cent. mortgage debenture stock charged upon the section of the said railway between Villa de Mercedes and Mercedes and the subsidy payable in respect thereof and six hundred and two thousand pounds five per cent. mortgage debenture stock charged upon the section of the said railway between Mercedes and the city of Buenos Ayres and the subsidy payable in respect thereof :

And whereas the Buenos Ayres and Pacific Railway Equipment and Goods Depôt Company Limited (hereinafter called the Equipment Company) was incorporated in the month of April one thousand eight hundred and ninety as a company limited by shares with a capital of seven hundred pounds in seven shares of one hundred pounds each for the purpose of acquiring certain land for the purposes of a depôt and purchasing from the Railway Company certain rolling stock and of erecting on such land a station or depôt and of leasing such depôt and rolling stock to the Railway Company and has expended the sum of five hundred thousand pounds or thereabouts in acquiring the said land and rolling stock :

And whereas in pursuance of the scheme under which the Equipment Company was formed arrangements were entered into between the two Companies for the lease of the said land depôt and rolling stock to the Railway Company at annual rentals which were estimated would be more than sufficient to pay the interest upon the debenture stock hereinafter mentioned of the Equipment Company but which have proved to be insufficient for that purpose :

And whereas the Equipment Company has issued five per cent. debenture stock to the amount of six hundred thousand pounds charged upon the rentals so to be paid by the Railway Company for the said land depôt and rolling stock and the amount of such debenture stock and also the interest thereon are guaranteed by the Railway Company :

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And whereas owing to the suspension of cash payments by the Argentine Government the Companies respectively are unable to meet their engagements and the Railway Company has been since the fifteenth of April one thousand eight hundred and ninety-one and is unable to pay the interest upon its debenture stock or the said rents or any part thereof and neither the Equipment Company nor the Railway Company are able to meet the interest accruing upon the debenture stock of the Equipment Company and actions have been commenced against the Railway Company by each class of its said debenture stock holders to enforce their respective securities :

And whereas the Railway 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 subsidies and any other creditors in the Argentine Republic would take priority over the holders of the debenture stock issued by the Railway Company and the Equipment Company and that the concessions would become liable to forfeiture and the large amount of English capital embarked in the undertakings would be sacrificed :

And whereas further capital is required for the purposes of the Railway Company :

And whereas it is expedient that an arrangement or arrangements should be come to between the two before-mentioned Companies and the debenture stock holders creditors and shareholders thereof respectively and other persons interested therein respectively under which the obligations of each Company may be provided for and the additional capital required may be obtained and the said railways be carried on and that the two Companies should be amalgamated :

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 :—

1. This Act may be cited as the Buenos Ayres and Pacific Railway Company (Limited) Act 1893. Short title.

2. In this Act the term "the Railway Company" means the Buenos Ayres and Pacific Railway Company Limited the term "the Equipment Company" means the Buenos Ayres and Pacific Railway Equipment and Goods Dépôt Company Limited the terms "the Companies" or "the two Companies" mean both of the before- Interpre-
tation.

A.D. 1893. mentioned Companies the term "shareholders" includes stock holders 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
schemes
of arrange-
ment.

3. The directors of the Railway Company may prepare and file in the Court a scheme of arrangement between that 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 And the directors of the Equipment Company may prepare and file in manner aforesaid a scheme of arrangement between that Company and its debenture stock holders or other creditors secured or unsecured or any class or classes of such debenture stock holders or other creditors secured or unsecured and with its shareholders or any class of its shareholders and the directors of either Company may prepare and file as aforesaid a scheme of arrangement between the two Companies or between either Company and any class or classes of the debenture stock holders creditors secured or unsecured and shareholders of the other Company for all or any of the purposes hereinafter 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 on whose behalf the scheme is prepared and filed or its assets including assets upon which any debenture stock or debt may be charged or in the case of shareholders with regard to such Company's profits capital or surplus assets :

(B.) For enabling the Company on whose behalf the scheme is prepared and filed 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 either Company of bonds of the Government of the Argentine Republic upon any basis :

(C.) For enabling either 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 making the issue or of the other Company and to extinguish any existing debenture stock or shares for which such debentures debenture stock or shares shall have been substituted :

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- (D.) For amalgamating the two Companies upon any terms affecting in any way any one or more or all classes of debenture stock holders creditors or shareholders therein respectively :
- (E.) To enable the Railway Company to take over upon any terms and for any consideration including shares debentures and debenture stock of any kind or class of the Railway Company the whole or any part of the assets and liabilities of the Equipment Company and to enable all or any such consideration to be distributed in any way among any class or classes exclusive of any other or others of the debenture stock holders creditors or shareholders of the Equipment Company in satisfaction of any claims or interest upon or in the Equipment Company or its assets or upon the Railway Company or its assets :
- (F.) To enable the Company on whose behalf the scheme is prepared and filed 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 :
- (G.) Generally for the purpose of carrying into effect any compromise or arrangement between the two Companies or between either Company and all or any class or classes of its debenture holders debenture stock holders creditors or shareholders or all or any class or classes of the debenture holders debenture stock holders creditors or shareholders of the other Company.

4. A scheme so prepared may vary the memorandum and articles of association of either Company in so far as necessary to give effect to such scheme and 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.

As to expenses &c.

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

Court may stay actions.

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Notice to be published.

6. 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.

7. After such publication of notice no execution attachment or other process within the jurisdiction of the Court shall be available against the Companies or Company affected by the scheme without the leave of the Court.

Withdrawal of scheme before confirmation.

8. 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.

9. A scheme shall be deemed to be assented to by all the holders of the debentures or debenture stock or preferred shares of either 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 either 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 by either 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 Companies or Company affected by the scheme 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 shareholders to scheme.

10. A scheme shall be deemed to be assented to by the ordinary and deferred shareholders of either 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.

11. 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.

12. 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 prescribe the directors of the Companies or Company affected by the scheme 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.

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Petition for
confirma-
tion of
scheme.

13. After hearing the directors and any creditors or shareholders of the Companies or Company affected by the scheme 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.

Confirma-
tion of
scheme.

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

Scheme
when con-
firmed to be
binding.

15. 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.

Notice of
confirmation.

16. Within one month from the making of the order confirming a scheme by the Court the directors of the Companies or Company affected by the scheme 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.

Scheme to
be recorded.

17. 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

Copy of
Act to be
registered.

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Saving certain agreements.

18. Nothing in this Act or in any scheme to be filed hereunder shall alter or vary the rights or interests of the Buenos Ayres and Pacific Railway Company Limited or the Central Argentine Railway Company Limited under a memorandum of agreement dated the 23rd day of December 1887 and made between the Buenos Ayres Northern Railway Company Limited of the one part and the Buenos Ayres and Pacific Railway Company Limited of the other part (the rights and interests of the Buenos Ayres Northern Railway Company Limited thereunder being now vested in the Central Argentine Railway Company Limited) as varied by the formal agreement to be settled as hereinafter provided.

The heads of terms agreed between the Central Argentine Railway Company Limited and the Railway Company for settlement of disputes and dated the 17th September 1890 and initialled by the respective chairmen of the said Companies shall be given effect to by a formal agreement to be sealed by the two Companies and to be settled in case of difference by arbitration in accordance with the Arbitration Act 1889.

Memorandum and articles of association varied.

19. On a scheme becoming binding and effectual under the provisions of this Act the memorandum and articles of association of the Companies or Company affected by the scheme shall be deemed to be varied in such manner as may be provided in the scheme.

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

20. If a scheme provides for any alteration in the memorandum or articles of association of either of the Companies 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 such Company to any member thereof requesting the same on payment of one shilling or such less sum as the directors may think fit and either Company making default in complying with the provisions of this section 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.

21. No person holding debenture stock of or shares in either of the Companies 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 either of the Companies

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shall incur any liability whatsoever by consenting to or voting in favour of any schemes or scheme prepared under the powers conferred by this Act. A.D. 1893.

22. 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 Railway Company. Costs of Act.

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