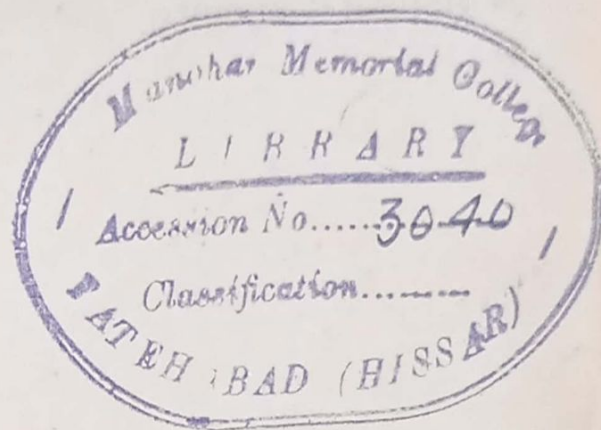


MODERN INDIAN COMPANY LAW

(A Text Book For University and
Professional Examinations)



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Table A (Model set of Articles)

ADDENDUM

Note :—*The following sub-title may be added after the sub-title 'Prohibition regarding making of political contributions' appearing in the book on page 157.*

Power to make contributions to National Defence Fund etc.

A new Section 293B was inserted after Section 293A by the Companies (Amendment) Act, 1971, which came into force w.e.f. 3rd December, 1971. This Section aims at facilitating companies to contribute to National Defence Fund and provides as follows :

(1) The Board of directors of any company or any person or authority exercising the powers of the Board of directors of a company, or the company in general meeting, may, notwithstanding anything contained in Sections 293 and 293A or any other provision of this Act or in the memorandum, articles or any other instrument relating to the company, contribute such amount as it thinks fit to the National Defence Fund or any other Fund approved by the Central Government for the purpose of national defence.

(2) Every company shall disclose in its Profit and Loss Account the total amount or amounts contributed by it to the Fund referred to above during the financial year to which the amount relates.

A similar provision in the Companies Act existed during the previous Emergency caused by the Chinese invasion in the year 1962, which remained in force only during the period of operation of the proclamation of Emergency. The present provision is a permanent one. It enables the Board of directors to make contributions to the National Defence Fund and other similar Funds without any limit and without obtaining the sanction of the general body of the company. The Section also authorises persons or other authorities exercising the power of the Board of directors to make the contributions.