

THE FORWARD CONTRACTS (REGULATION)
AMENDMENT ACT, 1957

No. 32 OF 1957

[17th September, 1957]

An Act further to amend the Forward Contracts (Regulation)
Act, 1952.

BE it enacted by Parliament in the Eighth Year of the Republic
of India as follows:—

Short title.

1. This Act may be called the Forward Contracts (Regulation)
Amendment Act, 1957.

100X
Insertion of
new section
9A.

2. After section 9 of the Forward Contracts (Regulation) Act, 1952, the following section shall be inserted, namely:—

Power of
recognised
association
to make
rules respect-
ing group-
ing of mem-
bers, restrict-
ing voting
rights, etc.,
in special
cases.

“9A. (1) A recognised association may make rules or amend
any rules made by it to provide for all or any of the following
matters, namely:—

(a) the grouping of the members of the association
according to functional or local interests, the reservation of
seats on its governing body for members belonging to each
group and appointment of members to such reserved seats—

(i) by election exclusively by the members belong-
ing to the group concerned;

(ii) by election by all the members of the associa-
tion;

(iii) by election by all the members of the associa-
tion from among persons chosen by the members belong-
ing to the group concerned for the purpose;

(b) the restriction of voting rights in respect of any
matter placed before the association at any meeting to those
members only who, by reason of their functional or local
interests, are actually interested in such matter;

(c) the regulation of voting rights in respect of any matter placed before the association at any meeting so that each member may be entitled to have one vote only, irrespective of his share of the paid-up equity capital of the association;

(d) the restriction on the right of a member to appoint another person as his proxy to attend and vote at a meeting of the association;

(e) such incidental, consequential and supplementary matters as may be necessary to give effect to any of the matters specified in clauses (a), (b), (c) and (d).

(2) No rules of a recognised association made or amended in relation to any matter referred to in clauses (a) to (e) of sub-section (1) shall have effect until they have been approved by the Central Government and published by that Government in the Official Gazette and, in approving the rules so made or amended, the Central Government may make such modifications therein as it thinks fit, and on such publication, the rules as approved by the Central Government shall be deemed to have been validly made, notwithstanding anything to the contrary contained in the Companies Act, 1956.

(3) Where, before the commencement of the Forward Contracts (Regulation) Amendment Act, 1957, any rules have been made or amended in relation to any matter referred to in clauses (a) to (e) of sub-section (1), the rules so made or amended shall not be deemed to be invalid or ever to have been invalid merely by reason of the fact that the rules so made or amended are repugnant to any of the provisions of the Companies Act, 1956."

3. Where any recognised association which has been granted an extension of time for holding its annual general meeting under the proviso to clause (c) of sub-section (1) of section 166 of the Companies Act, 1956, is desirous of making or amending rules in relation to the matters referred to in clause (a) of sub-section (1) of section 9A of the Forward Contracts (Regulation) Act, 1952, and reconstituting its governing body in accordance with such rules, and the Central Government, on an application made to it by the recognised association, is satisfied that it would not be possible for the association so to reconstitute its governing body within the extended time granted to it, the Central Government may, notwithstanding anything to the contrary contained in the Companies Act, 1956, extend the time within which the said annual general meeting shall be held by a further period not exceeding six months.

Transitional provisions respecting recognised associations in certain cases.