

# Tamil Nadu Non-Trading Companies Act, 1972

TAMILNADU

India

## Tamil Nadu Non-Trading Companies Act, 1972

### Act 16 of 1972

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Tamil Nadu Non-Trading Companies Act, 1972(Tamil Nadu Act 16 of 1972)Statement of Objects and Reasons - Tamil Nadu Non-trading Companies Act, 1972 (Tamil Nadu Act XVI of 1972). - The Indian Companies Act, 1913 (Central Act VII of 1913) has been repealed by section 644 of, and Schedule XII to, the Companies Act, 1956 (Central Act 1 of 1956). According to entries 43 and 44 of the Union List in the Seventh Schedule to the Constitution, read with clause (1) of Article 246, Parliament has exclusive power to make laws with respect to the matters enumerated in the said entries. Entry 32 of the State List, read with clause (3) of Article 246 of the Constitution, confers on the State Legislature exclusive power to make laws with respect to incorporation, regulation and winding up of non-trading corporations with objects confined to one State. Parliament is, therefore, not competent to repeal the Indian Companies Act, 1913, in so far as it relates to matters specified in entry 32 of the State List. The repeal of the Indian Companies Act, 1913 by section 644 of, and Schedule XII to, Central Act 1 of 1956 must thus be deemed to have effect only with respect to matters specified in entries 43 and 44 of the Union List. The result is that section 289-A of the Indian Companies Act, 1913, which enables the State Government to exercise the powers of the Central Government under that Act with respect to non-trading corporations with objects confined to one State, must be said to continue in force.<sup>2</sup> It is considered necessary to enact a uniform law relating to the incorporation, regulation and winding up of non-trading corporations with objects confined to the State of Tamil Nadu which would apply throughout the State. Instead of enacting a comprehensive legislation for the purpose, it is proposed to make the provisions of the Companies Act, 1956, applicable to non-trading corporations with objects confined to the State of Tamil Nadu by means of a referential piece of legislation.<sup>3</sup> The Bill seeks to achieve the above object and repeals Central Act VII of 1913 in so far as it falls within the State List and the corresponding law in force in the transferred territory. Published in Part IV - Section 3, pages 63-64 of the Tamil Nadu Government Gazette Extraordinary, dated the 28th March 1972. Received the assent of the Governor on the 10th May 1972 and first published in Part IV - Section 4 of the Tamil Nadu Government Gazette Extraordinary on the 16th May 1972. An Act to provide for the application of the Companies Act, 1956, to companies with object confined to the State of Tamil Nadu, which are not trading corporations. Be it enacted by the Legislature of the State of Tamil Nadu in the Twenty-third Year of the Republic of India as follows : -

## **1. Short title, extent, commencement and application.**

(1) This Act may be called the Tamil Nadu Non-Trading Companies Act, 1972. (2) It extends to the whole of the State of Tamil Nadu. (3) It shall come into force on such date as the State Government may, by notification, appoint. (4) It shall apply to a company as defined in section 2 of this Act.

## **2. Definition.**

- In this Act, unless the context otherwise requires, "company" means a company formed and registered under this Act or an existing company formed and registered under any of the previous companies laws specified in clause (ii) of sub-section (1) of section 3 of the Companies Act, 1956 (Central Act I of 1956), which is a non-trading corporation within the meaning of entries 43 and 44 of the Union List in the Seventh Schedule to Constitution with objects confined to the State of Tamil Nadu.

## **3. Application of the Companies Act, 1956 (Central Act I of 1956), to companies to which this Act applies.**

- The provisions of the Companies Act, 1956 (Central Act I of 1956), as for the time being in force shall, so far as may be, apply to the incorporation, regulation and winding up of companies to which this Act applies: Provided that - (i) the powers conferred on the Central Government by those provisions shall be exercisable and may be exercised by the State Government; (ii) the State Government may, by notification - (a) delegate all or any of such powers to such authority of officer, and subject to such conditions, restrictions and limitations as may be specified in the notification; and (b) relax, omit, and to, or vary any provision of the aforesaid Central Act here by made applicable to companies to which this Act applies; and (iii) the powers, duties and functions of the Registrar under the said provisions shall be exercised, discharged and performed by such person as may be appointed by the State Government by name or by virtue of office, to be the Registrar in relation to companies to which this Act applies.

## **4. Power to make rules.**

- The State Government may make rules for carrying out all or any of the purposes of this Act.

## **5. Publication of rules, commencement of rules and notifications and placing them on the table of the Legislature.**

(1) (a) All rules made under this Act shall be published in the, Tamil Nadu Government Gazette and, unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published. (b) All notifications issued under this Act shall, unless they are expressed to come into force on a particular day, come into force on a particular day, come into force on the day on which they are published. (2) Every rule made or notification issued under this Act shall, as soon possible, after it is made or issued, be placed on the table of [the Legislative Assembly]

[Substituted for the expression 'both Houses of Legislature' by paragraph 3(2) of the Tamil Nadu Adaptation of Laws Order, 1987.], and if, before the expiry of the session in which it is so placed or the next session, [the Legislative Assembly agrees] [Substituted for the expression 'both Houses agree' by paragraph 3(2), of the Tamil Nadu Adaptation of Laws Order, 1987.] in making any modification in any such rule or notification or [Legislative Assembly agrees] [Substituted for the expression 'both Houses agree' by paragraph 3(2), of the Tamil Nadu Adaptation of Laws Order, 1987.] that the rule or notification should not made or issued, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

## **6. Repeal.**

- The Indian Companies Act, 1913 (Central Act VII of 1913), in its application to the State of Tamil Nadu excluding the transferred territory and in so far as it relates to matters specified in entry 32, of the State List in the Seventh Schedule to the Constitution, and so much of the law, if any, in force in the transferred territory corresponding to the aforesaid Central Act are hereby repealed. Explanation. - For the purpose of this section, the expression "transferred territory" shall mean the Kanyakumari district and the Shencottah taluk of the Tirunelveli district.