THE INDIAN COMPANIES ACT

(Act VII of 1913)

(As amended by Act XXII of 1936 together with the amended sections of the Act in parallel pages, Statement of Objects and Reasons, Notes on Clauses and Report of the Select Committee)

WITH

THE COMPANIES (FOREIGN INTERESTS) ACT

(Act XX of 1918)

THE LAW PRINTING HOUSE
MOUNT ROAD :: MADRAS
THE CIVIL COURT MANUAL (ANNOTATED)

IMPERIAL ACTS

IN TWO VOLUMES (SECOND EDITION)

THOROUGHLY RE-WRITTEN & BROUGHT UP-TO-DATE

BY

P. HARI RAO, B.A., B.L.,

AND

S. S. VIJIARAGHAVACHARIAR, B.A., M.L.,

ADVOCATES, HIGH COURT, MADRAS.

Nearly 4,000 Pages, Royal 8vo.

Pre-publication Price

Per set of 2 Volumes Rs. 15/- Postage Extra.

Vol. I Just Ready Rs. 10/-
Vol. II ... Rs. 5/-

After publication the price per set will be Rs. 20/- Postage extra.

We guarantee to keep this publication up-to-date by publishing an annual cumulative and consolidated supplement for the next five years (1937 to 1941) and supplying the supplement to our subscribers free of all charges for the years (1937 & 1938) and at a nominal charge for the next three years (1939 to 1941). This will save the necessity of buying new editions every now and then.

ORDERS ARE BEING REGISTERED NOW.

(Pre-publication price available till the publication of Vol. II.
Dear Sirs,

I/We having purchased one copy (Bare-text), of the Indian Companies Act, 1913, as amended by Act XXII of 1936, request you to register my/our order for one copy of the annotated third edition of the Indian Companies Act, by S. Kasturirangachariar and send us the same as and when ready at the above concession, i.e., published price less Rs. 3/- the value of this book.

Dated, 29th

Yours faithfully,

NAME

ADDRESS

---

Note: This special concession is available only up-to 31st March, 1937.
The Statement of Objects and Reasons, the Notes on Clauses and the Select Committee's Reports of Act XXII of 1936 have been given in extenso in the Appendix to enable the reader to follow thoroughly the scope and object of the several provisions of the Act.

The Companies (Foreign Interests) Act, XX of 1918 has been printed, following the Companies Act, 1913, the former being allied to the latter.

An exhaustive and analytical subject-index and the Table of Contents of the sections of the Act are added to the book to facilitate reference.

The publishers trust that this edition of the Act will be found helpful to all classes—to the Bar, to the commercial community and to the general public. Any criticisms or suggestions calculated to improve the publication will be gratefully received and given every consideration.

THE LAW PRINTING HOUSE,

25th January, 1937.

Publishers.
# CONTENTS

<table>
<thead>
<tr>
<th></th>
<th>1 Preface</th>
<th>2 Contents of Act</th>
<th>3 Text of Act</th>
<th>4 Companies (Foreign Interests) Act XX of 1918</th>
<th>5 Comparative Sections</th>
<th>6 Act XXII of 1936—Statement of Objects and Reasons</th>
<th>7 Notes on Clauses</th>
<th>8 Report of Select Committee</th>
<th>9 Report of Select Committee : Minutes of Dissent</th>
<th>10 General Index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
COMPANIES ACT (VII OF 1913)

PART III.

SHARE CAPITAL, REGISTRATION OF UNLIMITED COMPANY AS LIMITED, AND UNLIMITED LIABILITY OF DIRECTORS.

Distribution of Share Capital.

Sections.

30. Definition of "member."
31. Register of members.
31A. Index of members of company.
32. Annual list of members and summary.
33. Trusts not to be entered on register.
34. Transfer of shares.
35. Transfer by legal representative.
36. Inspection of register of members.
37. Power to close register.
38. Power of Court to rectify register.
40. Register to be evidence.
41. Power for company to keep branch register in the United Kingdom.
42. Regulations as to British register.
43. Issue of share-warrants to bearer.
44. Effect of share-warrant.
45. Registration of name of bearer of share-warrant.
46. Position of bearer of share-warrant.
47. Entries in register when share-warrant issued.
48. Surrender of share-warrant.
49. Power of company to arrange for different amounts being paid on shares.
50. Power of company limited by shares to alter its share capital.
51. Notice to registrar of consolidation of share capital, conversion of shares into stock etc.
52. Effect of conversion of shares into stock.
53. Notice of increase of share capital or of members.
54. Re-organization of share capital.

Reduction of Share Capital.

54A. Restrictions on purchase by company for loans by company or purchase of its own shares.
55. Reduction of share capital.
56. Application to Court for confirming order.
57. Addition to name of company of "and reduced."
58. Objections by creditors, and settlement of list of objecting creditors.
59. Power to dispense with consent of creditor on security being given for his debt.
60. Order confirming reduction.
61. Registration of order and minute of reduction.
62. Minute to form part of memorandum.
63. Liability of members in respect of reduced shares.
64. Penalty on concealment of name of creditor.
65. Publication of reasons for reduction.
66. Increase and reduction of share capital in case of a company limited by guarantee having a share capital.

Variation of Shareholders' rights.

66A. Right of holders of special classes of shares.

Registration of Unlimited Company as Limited.

67. Registration of unlimited company as limited.
68. Power of unlimited company to provide for reserve share capital on re-registration.

Reserve Liability of Limited Company.

69. Reserve liability of limited company.
CONTENTS

Sections.

Unlimited Liability of Directors.

70. Limited company may have directors with unlimited liability.
71. Special resolution of limited company making liability of directors unlimited.

PART IV.

Management and Administration.

Office and Name.

72. Registered office of company.
73. Publication of name by a limited company.
74. Penalties for non-publication of name.
75. Publication of authorised as well as subscribed and paid-up capital.

Meetings and Proceedings.

76. Annual general meeting.
77. Statutory meeting of company.
78. Calling of extraordinary general meeting on requisition.
79. Provisions as to meetings and votes.
80. Representation of companies at meetings of other companies of which they are members.
81. Extraordinary and special resolutions.
82. Registration and copies of special and extraordinary resolutions.
83. Minutes of proceedings of general meetings and of its directors.

Directors.

83A. Directors obligatory.
83B. Appointment of Directors.
84. Restrictions on appointment or advertisement of director.
85. Qualification of director.
86. Validity of acts of directors.
86A. Ineligibility of bankrupt to act as director.
86B. Assignment of office by directors.
86C. Avoidance of provisions relieving liability of directors.
86D. Loans of directors.
86E. Director not to hold office of profit.
86F. Sanction of directors necessary for certain contracts.
86G. Removal of directors.
86H. Restriction on powers of directors.
86I. Vacation of office of director.
87. Register of directors, managers and managing agents.

Managing Agents.

87A. Duration of appointment of managing agent.
87B. Conditions applicable to managing agents.
87C. Remuneration of managing agent.
87D. Loans to managing agents.
87E. Loans to or by companies under the same management.
87F. Purchase by company of shares of company under same managing agent.
87G. Restriction on managing agent’s powers of management.
87H. Managing agent not to engage in business competing with the business of managed company.
87I. Limit on number of directors appointed by managing agent.

Contracts.

88. Form of contracts.
89. Bills of exchange and promissory notes.
90. Execution of deeds abroad.
91. Power for company to have official seal for use abroad.
COMPANIES ACT (VII OF 1913)

Sections.

91A. Disclosure of interest by director.
91B. Prohibition of voting by interested director.
91C. Disclosure to members in case of contract appointing a manager.
91D. Contracts by agents of company in which company is undisclosed principal.

Prospectus.

92. Filing of prospectus.
93. Specific requirements as to particulars of prospectus.
94. Meaning of "vendor" in section 93.
95. Application of section 93 to the case of property taken on lease.
96. Invalidity of certain conditions as to waiver or notice.
97. Saving in certain cases of non-compliance with section 93.
98. Obligations of companies where no prospectus is issued.
98A. Document offering shares or debentures for sale to be deemed a prospectus.
99. Restriction on alteration of terms mentioned in prospectus or statement in lieu of prospectus.
100. Liability for statements in prospectus.

Allotment.

101. Restriction as to allotment.
102. Effect of irregular allotment.
103. Restrictions on commencement of business.
104. Return as to allotments.

Commissions and Discounts.

105. Power to pay certain commissions and prohibition of payment of all other commissions, discounts, etc.
105A. Power to issue shares at a discount.
105B. Issue of redeemable preference shares.
105C. Further issue of capital.
106. Statement in balance-sheet as to commissions and discounts.

Payment of interest out of Capital.

107. Power of company to pay interest out of capital in certain cases.

Certificates of Shares, etc.

108. Limitation of time for issue of certificates.

Information as to Mortgages, Charges, etc.

109. Certain mortgages and charges to be void if not registered.
109A. Registration of charges on properties acquired subject to charge.
110. Particulars in case of series of debentures entitling holders pari passu.
111. Particulars in case of commission, etc., on debentures.
112. Register of mortgages and charges.
113. Index to register of mortgages and charges.
114. Certificate of registration.
115. Enforcement of certificate of registration on debenture or certificate of debenture stock.
116. Duty of company and right of interested party as regards registration.
117. Copy of instrument creating mortgage or charge to be kept at registered office.
118. Registration of appointment of receiver.
119. Filing of accounts of receivers.
120. Rectification of register of mortgages.
121. Registration of satisfaction of mortgages and charges.
122. Penalties.
123. Company's register of mortgages.
124. Right to inspect copies of instruments creating mortgages and charges and company's register of mortgages.
125. Right to inspect the register of debenture-holders and to have copies of trust deed.
CONTENTS

126. Debentures and Floating Charges.
127. Perpetual debentures.
128. Power to re-issue redeemed debentures in certain cases.
129. Specific performances of contract to subscribe for debentures.
130. Payments of certain debts out of assets subject to floating charge in priority to claims under the charge.

130. Statements, Books and Accounts.
131. Books to be kept by company and penalty for not keeping proper books.
131A. Annual balance sheet.
132. Director's Report.
132A. Contents of balance sheet.
133. Balance sheet to include particulars as to subsidiary companies.
134. Authentication of balance sheet.
135. Copy of balance sheet to be forwarded to the registrar.
136. Right of member of company to copies of the balance sheet and the auditors' report.

136. Statement to be published by Banking and certain other companies.

137. Certain companies to publish statement in schedule.

138. Investigation by the Registrar.
139. Power of registrar to call for information or explanation.

139. Inspection and Audit.
140. Investigation of affairs of company by inspectors.
141. Application for inspection to be supported by evidence.
142. Inspection of books and examination of officers.
143. Results of examination how dealt with.
144. Power of company to appoint inspectors.
145. Report of inspectors to be evidence.
146. Qualifications and appointment of auditors.
147. Rights of preference shareholders, etc., as to receipts and inspection of reports, etc.

147. Carrying on business with less than the legal minimum of members.

148. Service and Authentication of Documents.
149. Service of documents on company.
150. Service of documents on registrar.
151. Authentication of documents.

151. Tables, Forms, and Rules as to prescribed matters.
152. Application and alteration of tables and forms, and power to make rules as to prescribed matters.

152. Arbitration and Compromise.
153. Power for companies to refer matters to arbitration.
153A. Power to compromise with creditors and members.
153B. Provisions for facilitating arrangements and compromises.
154. Power to acquire shares of share-holders dissenting from schemes or contract approved by majority.
155. Conversion of private company into public company.
COMPANIES ACT (VII OF 1913)

PART V.

WINDING UP.

Preliminary.

Sections.
155. Mode of winding-up.

Contributories.
156. Liability as contributories of present and past members.
157. Liability of directors whose liability is unlimited.
158. Meaning of "contributory".
159. Nature of liability of contributory.
160. Contributories in case of death of member.
161. Contributories in case of insolvency of member.

Winding up by Court.
162. Circumstances in which company may be wound up by Court.
163. Company when deemed unable to pay its debts.
164. Winding up may be referred to District Court.
165. Transfer of winding up from one District Court to another.
166. Provisions as to applications for winding up.
167. Effect of winding up order.
168. Commencement of winding up by Court.
169. Court may grant injunction.
170. Powers of Court on hearing petition.
171. Suits stayed on winding up order.
171A. Vacancy in the office of liquidator.
172. Copy of winding up order to be filed with registrar.
173. Power of Court to stay winding up.
174. Court may have regard to wishes of creditors or contributories.

Official Liquidators.
175. Appointment of official liquidator.
176. Resignations, removals, filling up vacancies and compensation.
177. Official liquidator.
177A. Statement of affairs to be made to the liquidator.
177B. Statement by liquidator.
178. Custody of company's property.
179. Committee of inspection in compulsory winding up.
180. Powers of official liquidator.
181. Discretion of official liquidator.
182. Provision for legal assistance to official liquidator.
183. Official books to be kept by liquidator in winding up.
184. Exercise and control of liquidators' powers.

Ordinary powers of the Court.
185. Settlement of list of contributories and application of assets.
186. Power to require delivery of property.
187. Power to order payment of debts by contributory.
188. Power to order payment into bank.
189. Power of Court to make calls.
190. Power to order account with Court.
191. Regulation of account with Court.
192. Order on contributory conclusive evidence.
194. Power to order costs.
195. Dissolution of company.

Extraordinary Powers of Court.
196. Power to summon persons suspected of having property of company.
197. Power to order public examination of promoters, directors, etc.
198. Power to arrest absconding contributory.
199. Saving of other proceedings.
Enforcement of and Appeal from Orders.

Power to enforce orders.

Order made in any Court to be enforced by other Courts.

Mode of dealing with orders to be enforced by other Courts.

Appeals from orders.

Voluntary winding up.

Circumstances in which company may be wound up voluntarily.

Commencement of voluntary winding up.

Effect of voluntary winding up on status of company.

Notice of resolution to wind up voluntarily.

Declaration of solvency.

Members' voluntary winding up.

Provisions applicable to a member's voluntary winding up.

Power of company to appoint and fix remuneration of liquidators.

Power to fill vacancy in office of liquidator.

Power of liquidator to accept shares, etc., as consideration for sale of property of company.

Duty of liquidator to call general meeting at end of each year.

Members' or creditors' voluntary winding up.

Provisions applicable to a creditor's voluntary winding up.

Meeting of creditors.

Appointment of liquidator.

Appointment of committee of inspection.

Fixing of liquidator's remuneration and cessation of director's powers.

Power to fill vacancy in office of liquidator.

Application of S. 208C to a creditor's voluntary winding up.

Duty of liquidator to call meetings of company and of creditors at end of each year.

Final meeting and dissolution.

Creditors' voluntary winding up.

Provisions applicable to every voluntary winding up.

Distribution of property of company.

Powers and duties of liquidator in voluntary winding up.

Power of Court to appoint and remove liquidator in voluntary winding up.

Notice by liquidator of his appointment.

Arrangement when binding on creditors.

Power to apply to Court to have questions determined of powers exercised.

Cost of voluntary winding up.

Saving for rights of creditors and contributories.

Power of Court to adopt proceedings of voluntary winding up.

Winding up subject to supervision of Court.

Power of Court to order winding up subject to supervision.

Effect of petition for winding up subject to supervision.

Court may have regard to wishes of creditors and contributories.

Power for Court to appoint or remove liquidators.

Effect of supervision order.

Appointment in certain cases of voluntary liquidators to office of official liquidators.

Supplemental Provisions.

Avoidance of transfers, etc., after commencement of winding up.

Debts of all descriptions to be proved.

Application of insolvency rules in winding up of insolvent companies.

Preferential payments.

Disclaimer of property.

Fraudulent preference.
SIT COMPANIES ACT (VII OF 1913)

PART VI.

REGISTRATION OFFICE AND FEES.

248. Registration office.
249. Fees.
249A. Enforcing submission of returns and documents to registrar.

PART VII

APPLICATIONS OF ACT TO COMPANIES FORMED AND REGISTERED UNDER FORMER COMPANIES ACTS.

250. Application of Act to companies formed under former Companies Acts.
251. Application of Act to companies registered but not formed under former Companies Acts.
252. Mode of transferring.

PART VIII.

COMPANIES AUTHORIZED TO REGISTER UNDER THIS ACT.

253. Companies capable of being registered.
254. Definition of "joint stock company."
255. Requirements for registration by joint stock companies.
256. Requirements for registration by other than joint stock companies.
257. Authorization of statement of existing companies.
258. Registrar may require evidence as to nature of company.
259. On registration of banking company with limited liability, notice to be given to customers.
260. Exemption of certain companies from payment of fees.
261. Addition of "Limited" to name.
262. Certificate of registration of existing companies.
263. Vesting of property on registration.
264. Saving of existing liabilities.
265. Continuation of existing suits.
266. Effect of registration under Act.
267. Power to substitute memorandum and articles for deed of settlement.
268. Power of Court to stay or restrain proceedings.
269. Suits stayed on winding up order.
PART IX.
WINDING UP OF UNREGISTERED COMPANIES.

SECTIONS
270. Meaning of "unregistered company".
271. Winding up of unregistered companies.
272. Contributories in winding up of unregistered companies.
273. Power to stay or restrain proceedings.
274. Suit stayed on winding up order.
275. Directions as to property in certain cases.
276. Provisions of this Part cumulative.

PART X.
COMPANIES ESTABLISHED OUTSIDE BRITISH INDIA.

277. Requirements as to companies established outside British India.
277A. Restriction on sale and offer for sale of shares.
277B. Requirements as to prospectus.
277C. Restriction on canvassing for sale of shares.
277D. Registration of charges.
277E. Notice of appointment of receiver.

PART XA
BANKING COMPANIES.

277F. Definition of banking company.
277G. Limitation of activities of banking company.
277H. Banking company not to employ managing agent.
277I. Restriction on commencement of business of banking company.
277J. Prohibition of charge on unpaid capital.
277K. Reserve fund.
277L. Cash reserve.
277M. Restriction on nature of subsidiary companies.
277N. Power of Court to stay proceedings.

PART XI.
SUPPLEMENTAL.

Legal proceedings, offences, etc.

278. Cognizance of offences.
279. Applications of fines.
280. Power to require limited company to give security for costs.
281. Power of Court to grant relief in certain cases.
282. Penalty for false statement.
282A. Penalty for wrongful withholding of property.
282B. Penalty for misapplication of securities for employers.
283. Penalty for improper use of word "Limited".
284. Saving of pending proceedings for winding up.
286. Former registration offices, registers and registrars continued.
289. Act not to apply to Banks of Bengal, Madras or Bombay.
290. Repeal of Acts and Savings.
SCHEDULES.

THE FIRST SCHEDULE.
THE SECOND SCHEDULE.
THE THIRD SCHEDULE.
THE FOURTH SCHEDULE.

COMPANIES (FOREIGN INTERESTS) ACT.

1. Short title.
2. Definitions.
4. Alterations in restrictive provisions and winding up.
THE INDIAN COMPANIES ACT

(VII of 1913)

[Passed on the 27th March, 1913]

(As amended up-to-date incorporating amendments made by Act XXII of 1926).

An Act to consolidate and amend the law relating to Trading Companies and other Associations.

Whereas it is expedient to consolidate and amend the law relating to Trading Companies and other Associations; It is hereby enacted as follows—

PART I.

PRELIMINARY.

1. (1) This Act may be called the Indian Companies Act, 1913.

(2) It shall come into force on the first day of April, 1914; and

(3) It extends to the whole of British India including British Baluchistan and the Santhal Parganas.

Definitions.

2. (1) In this Act, unless there is anything repugnant in the subject or context,—

(1) "articles" means the articles of association of a company as originally framed or as altered by special resolution, including, so far as they apply to the company, the regulations contained (as the case may be) in Table B in the Schedule annexed to Act XIX of 1857 or in Table A in the First Schedule annexed to the Indian Companies Act, 1882, or in Table A in the First Schedule annexed to this Act:

(2) "company" means a company formed and registered under this Act or an existing company:

(3) "the Court" means the Court having jurisdiction under this Act:

(4) "debenture" includes debenture stock:

(5) "director" includes any person occupying the position of a director by whatever name called:

(6) "District Court" means the principal Civil Court of original jurisdiction in a district, but does not include a High Court in the exercise of its ordinary original civil jurisdiction:

(7) "existing company" means a company formed and registered under the Indian Companies Act, 1862, or under any Act or Acts repealed thereby, or under the Indian Companies Act, 1882:
(8) "Insurance company" means a company that carries on the business of insurance either solely or in common with any other business or businesses:

(9) "Manager" means a person who, subject to the control and direction of the directors, has the management of the whole affairs of a company, and includes a director or any other person occupying the position of a manager by whatever name called and whether under a contract of service or not:

(9A) "Managing agent" means a person, firm or company entitled to the management of the whole affairs of a company by virtue of an agreement with the company, and under the control and direction of the directors except to the extent, if any, otherwise provided for in the agreement, and includes any person, firm or company occupying such position by whatever name called:

Explanation—If a person occupying the position of a managing agent calls himself a manager he shall nevertheless be regarded as managing agent and not as manager for the purposes of this Act.

(10) "Memorandum" means the memorandum of association of a company as originally framed or as altered in pursuance of the provisions of this Act:

(11) "Officer" includes any director, managing agent, manager or secretary but, save in section 235, 236, and 237, does not include an auditor:

(12) "Prescribed" means, as respects the provisions of this Act relating to the winding up of companies, prescribed by rules made by the High Court, and, as respects the other provisions of this Act, prescribed by the Governor-General in Council:

(13) "Private company" means a company which by its articles—
(a) restricts the right to transfer the shares, if any; and
(b) limits the number of its members to fifty not including persons who are in the employment of the company; and
(c) prohibits any invitation to the public to subscribe for the shares, if any, or debentures of the company:

Provided that where two or more persons hold one or more shares in a company jointly they shall, for the purposes of this definition, be treated as a single member:

(13A) "Public company" means a company incorporated under this Act or under the Indian Companies Act, 1882, or under the Indian Companies Act, 1862, or under any Act repealed thereby, which is not a private company:

(14) "Prospectus" means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of a company, but shall not include any trade advertisement which shows on the face of it that a formal prospectus has been prepared and filed:

(15) "The registrar" means a registrar or assistant registrar performing under this Act the duty of registration of companies:

(16) "Share" means share in the share capital of the company, and includes stock except when a distinction between stock and shares is expressed or implied.
Section 4

Where the assets of a company consist in whole or in part of shares in another company, whether held directly or through nominees, and whether that other company is a company within the meaning of this Act or not, and

(a) the amount of the shares so held is at the time when the accounts of the holding company are made up more than fifty per cent. of the issued share capital of that other company or such as to entitle the company to more than fifty per cent. of the voting power in that other company, or

(b) the company has power (not being power vested in it by virtue only of the provisions of a debenture trust deed or by virtue of shares issued to it for the purpose in pursuance of those provisions) directly or indirectly to appoint the majority of the directors of that other company,

that other company shall be deemed to be a subsidiary company within the meaning of this Act, and the expression 'subsidiary company' in this Act means a company in the case of which the conditions of this sub-section are satisfied and includes a subsidiary company of such company:

Provided that where a company the ordinary business of which includes the lending of money, holds shares in another company as security only, no account shall, for the purpose of determining under this section whether that other company is a subsidiary company, be taken of the shares so held.

3. (1) The Court having jurisdiction under this Act shall be the High Court having jurisdiction in the place at which the registered office of the company is situate.

Provided that the Local Government may, by notification in the local official Gazette and subject to such restrictions and conditions as it thinks fit, empower any District Court to exercise all or any of the jurisdiction by this Act conferred upon the Court, and in that case such District Court shall, as regards the jurisdiction so conferred, be the Court in respect of all companies having their registered offices in the district.

(2) For the purposes of jurisdiction to wind up companies, the expression 'registered office' means the place which has longest been the registered office of the company during the six months immediately preceding the presentation of the petition for winding up.

(3) Nothing in this section shall invalidate a proceeding by reason of its being taken in a wrong Court.

PART II.

CONSTITUTION AND INCORPORATION.

4. (1) No company, association or partnership consisting of more than ten persons shall be formed for the purpose of carrying on the business of banking unless it is registered as a company under this Act, or is formed in pursuance of an Act of Parliament or some other Act of the Governor General in Council, or of Royal Charter or Letters Patent.

(2) No company, association or partnership consisting of more than twenty persons shall be formed for the purpose of carrying on any other business that has for its object the acquisition of gain by the company, association
or partnership, or by the individual members thereof, unless it is registered as a company under this Act, or is formed in pursuance of an Act of Parliament or some other Act of the Governor General in Council or of Royal Charter or Letters Patent.

(3) This section shall not apply to a joint family carrying on joint family trade or business and where two or more such joint families form a partnership, in computing the number of persons for the purposes of this section, minor members of such families shall be excluded.

(4) Every member of a company, association or partnership carrying on business in contravention of this section shall be personally liable for all liabilities incurred in such business.

(5) Any person who is a member of a company, association or partnership formed in contravention of this section shall be punishable with fine not exceeding one thousand rupees.

Memorandum of Association.

5. Any seven or more persons (or, where the company to be formed will be a private company, any two or more persons) associat-

ed for any lawful purpose may, by subscribing their names to a memorandum of association and otherwise complying with the requirements of this Act in respect of registration, form an incorporated company, with or without limited liability (that is to say), either—

(i) a company having the liability of its members limited by the memorandum to the amount, if any, unpaid on the shares respectively held by them (in this Act termed a company limited by shares); or

(ii) a company having the liability of its members limited by the memorandum to such amount as the members may respectively thereby undertake to contribute to the assets of the company in the event of its being wound up (in this Act termed a company limited by guarantee); or

(iii) a company not having any limit on the liability of its members (in this Act termed an unlimited company).

Memorandum of company limited by shares.

6. In the case of a company limited by shares—

(1) the memorandum shall state—

(i) the name of the company, with "Limited" as the last word in its name;

(ii) the province in which the registered office of the company is to be situated;

(iii) the objects of the company;

(iv) that the liability of the members is limited;

(v) the amount of share capital with which the company proposes to be registered, and the division thereof into shares of a fixed amount;

(2) no subscriber of the memorandum shall take less than one share;

(3) each subscriber shall write opposite to his name the number of shares he takes.
In the case of a company limited by guarantee—

1. The memorandum shall state—

(i) the name of the company, with "Limited" as the last word in its name;
(ii) the province in which the registered office of the company is to be situate;
(iii) the objects of the company;
(iv) that the liability of the members is limited;
(v) that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding a specified amount;

2. If the company has a share capital—

(i) the memorandum shall also state the amount of share capital with which the company proposes to be registered and the division thereof into shares of a fixed amount;
(ii) no subscriber of the memorandum shall take less than one share;
(iii) each subscriber shall write opposite to his name the number of shares he takes.

In the case of an unlimited company—

1. The memorandum shall state—

(i) the name of the company;
(ii) the province in which the registered office of the company is to be situate;
(iii) the objects of the company;

2. If the company has a share capital—

(i) no subscriber of the memorandum shall take less than one share;
(ii) each subscriber shall write opposite to his name the number of shares he takes.

The memorandum shall—

(a) be printed,
(b) be divided into paragraphs numbered consecutively, and
(c) be signed by each subscriber (who shall add his address and description) in the presence of at least one witness who shall attest the signature.

A company shall not alter the conditions contained in its memorandum except in the cases and to the mode and to the extent for which express provision is made in this Act.
Provided that any provision in the memorandum relating to the appointment of a manager or managing agent and other matters of a like nature incidental or subsidiary to the main objects of the company, shall not be deemed to be such condition.

11. (1) A company shall not be registered by a name identical with that by which a company in existence is already registered, or so nearly resembling that name as to be calculated to deceive, except where the company in existence is in the course of being dissolved and signifies its consent in such manner as the registrar requires.

(2) If a company, through inadvertence or otherwise, is, without such consent as aforesaid, registered by a name identical with that by which a company in existence is previously registered, or so nearly resembling it as to be calculated to deceive, the first-mentioned company may, with the sanction of the registrar, change its name.

(3) Except with the previous consent in writing of the Governor General in Council, no company shall be registered by a name which—
   (a) contains any of the following words, namely, 'Crown', 'Empire', 'Empress', 'Emperor', 'King', 'Queen', 'Empire', 'Empress', 'Federal', 'Imperial', 'State', 'Reserve Bank', 'Bank of Bengal', 'Bank of Madras', 'Bank of Bombay', or any word which suggests or is calculated to suggest the patronage of His Majesty or of any member of the Royal Family or any connection with His Majesty's Government or any department thereof; or
   (b) contains the word 'Municipal' or 'Chartered' or any word which suggests or is calculated to suggest connection with any municipality or other local authority or with any society or body incorporated by Royal Charter:

Provided that nothing in this sub-section shall apply to companies registered before the commencement of this Act.

(4) Any company may, by special resolution and subject to the approval of the Local Government signified in writing, under the hand of one of the Secretaries to such Government, change its name.

(5) Where a company changes its name, the registrar shall enter the new name on the register in place of the former name, and shall issue a certificate of incorporation altered to meet the circumstances of the case. On the issue of such a certificate, the change of name shall be complete.

(6) The change of name shall not affect any rights or obligations of the company, or render defective any legal proceedings by or against the company; and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced against it by its new name.

12. (1) Subject to the provisions of this Act, a company may, by special resolution, alter the provisions of its memorandum so as to change the place of the registered office from one province to another, or with respect to the objects of the company, so far as may be required to enable it—
   (a) to carry on its business more economically or more efficiently; or
S. 15. ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936)

(b) to attain its main purpose by new or improved means; or
(c) to enlarge or change the local area of its operations; or
(d) to carry on some business which under existing circumstances may conveniently or advantageously be combined with the business of the company; or
(e) to restrict or abandon any of the objects specified in the memorandum; or
(f) to sell or dispose of the whole or any part of the undertaking of the company; or
(g) to amalgamate with any other company or body of persons.

(2) The alteration shall not take effect until and except in so far as it is confirmed by the Court on petition.

(3) Before confirming the alteration, the Court must be satisfied—

(a) that sufficient notice has been given to every holder of debentures of the company, and to any persons or class of persons whose interests will, in the opinion of the Court, be affected by the alteration; and
(b) that, with respect to every creditor who in the opinion of the Court is entitled to object, and who signifies his objection in manner directed by the Court, either his consent to the alteration has been obtained or his debt or claim has been discharged or has determined, or has been accorded to the satisfaction of the Court.

Provided that the Court may, in the case of any person or class, for special reasons, dispense with the notice required by this section.

13. The Court may make an order confirming the alteration either wholly or in part, and on such terms and conditions as it thinks fit, and may make such order as to costs as it thinks proper.

14. The Court shall, in exercising its discretion under sections 12 and 13, have regard to the rights and interests of the members of the company or of any class of them, as well as to the rights and interests of the creditors, and may, if it thinks fit, adjourn the proceedings in order that an arrangement may be made to the satisfaction of the Court for the purchase of the interests of dissentient members; and may give such directions and make such orders as it may think fit for facilitating or carrying into effect any such arrangement:

Provided that no part of the capital of the company may be expended in any such purchase.

15. (1) A certified copy of the order confirming the alteration, together with a printed copy of the memorandum as altered, shall, within three months from the date of the order, be filed by the company with the registrar, and he shall register the same, and shall certify the registration under his hand, and the certificate shall be conclusive evidence that all the requirements of this Act with respect to the alteration and the confirmation thereof have been complied with, and thenceforth the memorandum so altered shall be the memorandum of the company,
(2) Where the alteration involves a transfer of the registered office from one province to another, a certified copy of the order confirming such change shall be filed by the company with the registrar in each of such provinces, and each of such registrars shall register the same, and shall certify under his hand the registration thereof, and the registrar for the province from which such office is transferred shall send to the registrar for the other province all documents relating to the company registered or filed in his office.

(3) The Court may by order at any time extend the time for the filing of documents with the registrar under this section for such period as the Court thinks proper.

16. No such alteration shall have any operation until registration thereof has been duly effected in accordance with the provisions of section 15, and if such registration is not effected within three months next after the date of the order of the Court confirming the alteration, or within such further time as may be allowed by the Court in accordance with the provisions of section 15, such alteration and order and all proceedings connected therewith shall, at the expiration of such period of three months or such further time, as the case may be, become absolutely null and void:

Provided that the Court may, on sufficient cause shown, revive the order on application made within a further period of one month.

Articles of Association.

17. (1) There may, in the case of a company limited by shares, and there shall, in the case of a company limited by guarantee, be registered with the memorandum, articles of association signed by the subscribers to the memorandum and prescribing regulations for the company.

(2) Articles of association may adopt all or any of the regulations contained in Table A in the First Schedule and shall in any event be deemed to contain regulations identical with or to the same effect as regulation 56, regulation 69, regulation 71, regulations 78, 79, 80, 81 and 82, regulation 95, regulation 97, regulation 105, regulation 107 and regulations 112, 113, 114, 115 and 116 contained in that Table:

Provided that regulation 78 shall not be deemed to be included in the articles of any private company except a private company which is a subsidiary company of a public company:

Provided further that regulation 107 shall not be deemed to require that a statement of the reasons why of the whole amount of any item of expenditure which may in fairness be distributed over several years, only a portion thereof is charged against the income of the year, shall be shown in the profit and loss account, unless the company in general meeting shall determine otherwise.

(3) In the case of an unlimited company or a company limited by guarantee, the articles, if the company has a share capital, shall state the amount of share capital with which the company proposes to be registered.

(4) In the case of an unlimited company or a company limited by guarantee, if the company has not a share capital, the articles shall state
18. In the case of a company limited by shares and registered after the commencement of this Act, if articles are not registered, 
cor, if articles are registered, in so far as the articles do 
not exclude or modify the regulations in Table A in the 
First Schedule, those regulations shall, so far as applicable, be the regulations 
of the company in the same manner and to the same extent as if they were 
contained in duly registered articles.

Form and signature of articles.

19. Articles shall:

(a) be printed;

(b) be divided into paragraphs numbered consecutively; and

(c) be signed by each subscriber of the memorandum (who shall 
add his address and description) of association in the presence 
of at least one witness who must attest the signature.

20. (1) Subject to the provisions of this Act and to the conditions con-
tained in its memorandum, a company may by special 
resolution alter or add to its articles; and any alteration 
or addition so made shall be as valid as if originally 
contained in the articles, and be subject in like manner to alteration by 
special resolution.

(2) The power of altering articles under this section shall, in the case 
of any company formed and registered under Act XIX of 1857 and Act VII 
of 1860 or either of them, extend to altering any provisions in Table B an-
nexed to Act XIX of 1857, and shall also, in the case of an unlimited com-
pany formed and registered under the said Acts or either of them, extend to 
altering any regulations relating to the amount of capital or its distribution 
into shares, notwithstanding that those regulations are contained in the 
memorandum.

20A. Notwithstanding anything in the memorandum or articles of a 
company, no member of the company shall be bound by 
an alteration made in the memorandum or articles after 
the date on which he became a member if and so far as 
the alteration requires him to take or subscribe for more 
shares than the number held by him at the date on which the alteration 
is made, or in any way increases his liability as at that date to contribute to 
the share capital of, or otherwise to pay money to, the company: 

Provided that this section shall not apply in any case where the member 
agrees in writing either before or after the alteration is made to be bound 
thereby.

General Provisions.

21. (1) The memorandum and articles shall, when registered, bind the 
company and the members thereof to the same extent as 
if they respectively had been signed by each member 
and contained a covenant on the part of each member,
his heirs, and legal representatives, to observe all the provisions of the memorandum and of the articles, subject to the provisions of this Act.

(2) All money payable by any member to the company under the memorandum or articles shall be a debt due from him to the company.

22. The memorandum and the articles (if any) shall be filed with the registrar for the province in which the registered office of the company is stated by the memorandum to be situate, and he shall retain and register them.

23. (1) On the registration of the memorandum of a company, the registrar shall certify under his hand that the company is incorporated, and in the case of a limited company that the company is limited.

(2) From the date of incorporation mentioned in the certificate of incorporation, the subscribers of the memorandum, together with such other persons as may from time to time become members of the company, shall be a body corporate by the name contained in the memorandum, capable forthwith of exercising all the functions of an incorporated company, and having perpetual succession and a common seal, but with such liability on the part of the members to contribute to the assets of the company in the event of its being wound up as is mentioned in this Act.

24. (1) A certificate of incorporation given by the registrar in respect of any association shall be conclusive evidence that all the requirements of this Act in respect of registration and of matters precedent and incidental thereto have been complied with, and that the association is a company authorised to be registered and duly registered under this Act.

(2) A declaration by an advocate, attorney or pleader entitled to appear before a High Court who is engaged in the formation of a company, or by a person named in the articles as a director, manager or secretary of the company, of compliance with all or any of the said requirements shall be filed with the registrar, and the registrar may accept such a declaration as sufficient evidence of compliance.

25. (1) Every company shall send to every member, at his request and within fourteen days thereof and on payment of one rupee or such less sum as the company may prescribe, a copy of the memorandum and of the articles (if any).

(2) If a company makes default in complying with the requirements of this section, it shall be liable for each offence to a fine not exceeding ten rupees.

25A. (1) Where an alteration is made in the memorandum or articles of a company, every copy of the memorandum or articles issued after the date of the alteration shall be in accordance with the alteration.

(2) If, where any such alteration has been made, the company at any time after the date of the alteration issues any copies of the memorandum or
articles which are not in accordance with the alteration, it shall be liable to a fine not exceeding ten rupees for each copy so issued and every officer of the company who is knowingly and wilfully in default shall be liable to the like penalty.

Associations not for Profit.

(1) Where it is proved to the satisfaction of the Local Government that an association capable of being formed as a limited company has been or is about to be formed for promoting commerce, art, science, religion, charity, or any other useful object, and applies or intends to apply its profits (if any) or other income in promoting its objects, and to prohibit the payment of any dividend to its members, the Local Government may, by license under the hand of one of its Secretaries, direct that the association be registered as a company with limited liability, without the addition of the word “Limited” to its name, and the association may be registered accordingly.

(2) A license by the Local Government under this section may be granted on such conditions and subject to such regulations as the Local Government thinks fit, and those conditions and regulations shall be binding on the association, and shall, if the Local Government so directs, be inserted in the memorandum and articles, or in one of those documents.

(3) The association shall on registration enjoy all the privileges of limited companies, and be subject to all their obligations, except those of using the word “Limited” as any part of its name, and of publishing its name, and of sending lists of members to the registrar.

(4) A license under this section may at time be revoked by the Local Government, and upon revocation the registrar shall enter the word “Limited” at the end of the name of the association upon the register, and the association shall cease to enjoy the exemptions and privileges granted by this section:

Provided that, before a license is so revoked, the Local Government shall give to the association notice in writing of its intention, and shall afford the association an opportunity of submitting a representation in opposition to the revocation.

Companies limited by Guarantee.

(1) In the case of a company limited by guarantee and not having a share capital, and registered after the commencement of this Act, every provision in the memorandum or articles or in any resolution of the company purporting to give any person a right to participate in the divisible profits of the company otherwise than as a member shall be void.

(2) For the purpose of the provisions of this Act relating to the memorandum of a company limited by guarantee and of this section, every provision in the memorandum or articles, or in any resolution, of any company limited by guarantee and registered after the commencement of this Act, purporting to divide the undertaking of the company into shares or interests shall be treated as a provision for a share capital, notwithstanding that the nominal amount or number of the shares or interests is not specified thereby.
PART III.

SHARE CAPITAL, REGISTRATION OF UNLIMITED COMPANY AS LIMITED, AND UNLIMITED LIABILITY OF DIRECTORS.

Distribution of Share Capital.

28. (1) The shares or other interest of any member in a company shall be moveable property, transferable in manner provided by the articles of the company.

(2) Each share in a company having a share capital shall be distinguished by its appropriate number.

29. A certificate, under the common seal of the company, specifying any shares or stock held by any member, shall be prima facie evidence of the title of the member to the shares of stock therein specified.

30. (1) The subscribers of the memorandum of a company shall be deemed to have agreed to become members of the company, and on its registration shall be entered as members in its register of members.

(2) Every other person who agrees to become a member of a company, and whose name is entered in its register of members, shall be a member of the company.

31. (1) Every company shall keep in one or more books a register of its members, and enter therein the following particulars:

(i) the names and addresses, and the occupations, if any, of the members and, in the case of a company having a share capital, a statement of the shares held by each member, distinguishing each share by its number, and of the amount paid or agreed to be considered as paid on the shares of each member;

(ii) the date at which each person was entered in the register as a member;

(iii) the date at which any person ceased to be a member.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

31A. (1) Every company having more than fifty members shall, unless the register of members is in such a form as to constitute in itself an index, keep an index of the names of the members of the company and shall within fourteen days after the date on which any alteration is made in the register of members make any necessary alteration in the index.

(2) The index, which may be in the form of a card index, shall in respect of each member contain a sufficient indication to enable the account of that member in the register to be readily found.
32. (1) Every company having a share capital shall within eighteen months from its incorporation and thereafter once at least in every year make a list of all persons who, on the day of the first or only ordinary general meeting in the year, are members of the company, and of all persons who have ceased to be members since the date of the last return or (in the case of the first return) of the incorporation of the company.

(2) The list shall state the names, addresses, and occupations of all the past and present members therein mentioned, and the number of shares held by each of the existing members at the date of the return, specifying shares transferred since the date of the last return or (in the case of the first return) of the incorporation of the company by persons who are still members and persons who have ceased to be members respectively and the dates of registration of the transfers, and shall contain a summary distinguishing between shares issued for cash and shares issued as fully or partly paid up otherwise than in cash, and specifying the following particulars:

(a) the amount of the share capital of the company, and the number of the shares into which it is divided;
(b) the number of shares taken from the commencement of the company up to the date of the return;
(c) the amount called up on each share;
(d) the total amount of calls received;
(e) the total amount of calls unpaid;
(f) the total amount of the sums (if any) paid by way of commission in respect of any shares or debentures, or allowed by way of discount in respect of any shares or debentures, since the date of the last return, or so much thereof as has not been written off at the date of the return;
(g) the total number of shares forfeited;
(h) the total amount of shares or stock for which share-warrants are outstanding at the date of the return;
(i) the total amount of share-warrants issued and surrendered respectively since the date of the last return;
(j) the number of shares or amount of stock comprised in each share-warrant;
(k) the names and addresses of the persons who at the date of the return are the directors of the company and of the persons (if any) who at the said date are the managers or managing agents of the company, and the changes in the personnel of the directors, managers and managing agents since the last return together with the dates on which they took place; and

(m) the total amount of debt due from the company in respect of all mortgages and charges which are required to be registered with the registrar under this Act.

(3) The above list and summary shall be contained in a separate part of the register of members, and shall be completed within twenty-one days.

32. (3) If default is made in complying with this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.
after the day of the first or only ordinary general meeting in the year, and the company shall forthwith file with the registrar a copy signed by a director or by the manager or the secretary of the company, together with a certificate from such director, manager or secretary that the list and summary state the facts as they stood on the day aforesaid.

(4) A private company shall send with the annual return required by sub-section (1) a certificate signed by a director or other officer of the company that the company has not, since the date of the last return or, in the case of a first return, since the date of the incorporation of the company, issued any invitation to the public to subscribe for any shares or debentures of the company, and where the annual return discloses the fact that the number of members of the company exceeds fifty, also a certificate so signed that the excess consists wholly of persons who under sub-clause (b) of clause 23 of sub-section (1) of section 2 are not to be included in reckoning the number of fifty.

(5) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

33. No notice of any trust, expressed, implied or constructive, shall be entered on the register, or be receivable by the registrar.

34. (1) An application for the registration of the transfer of shares in a company may be made either by the transferor or the transferee, provided that where such application is made by the transferor no registration shall in the case of partly paid shares be effected unless the company gives notice of the application to the transferee and subject to the provisions of sub-section (2) the company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

(2) For the purposes of sub-section (1) notice to the transferee shall be deemed to have been duly given if despatched by prepaid post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.

(3) It shall not be lawful for the company to register a transfer of shares in or debentures of the company unless the proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the company along with the scrip:

Provided that, where it is proved to the satisfaction of the directors of the company that an instrument of transfer, signed by the transferor and transferee has been lost, the company may, if the directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer, register the transfer on such terms as to indemnity as the directors may think fit.

(4) If a company refuses to register the transfer of any shares or debentures, the company shall, within two months from the date on which the
instrument of transfer was lodged with the company, send to the transferee and the transferor notice of the refusal.

(5) If default is made in complying with sub-section (4) of this section, the company and every director, manager, secretary or other officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

(6) Nothing in sub-section (5) shall prejudice any power of the company to register as share holder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.

(7) Nothing in this section shall prejudice any power of the company under its articles to refuse to register the transfer of any shares.

35. A transfer of the share or other interest of a deceased member of a company made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

36. (1) The register of members commencing from the date of the registration of the company and the index of members shall be kept at the registered office of the company, and, except when closed under the provisions of this Act, shall during the business hours (subject to such reasonable restrictions, as the company in general meeting may impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member gratis, and to the inspection of any other person on payment of one rupee, or such less sum as the company may prescribe, for each inspection. Any such member or other person may make extracts therefrom.

(2) Any member or other person may require a copy of the register, or of any part thereof, or of the list and summary required by this Act, or any part thereof, on payment of six annas for every hundred words or fractional part thereof required to be copied and the company shall cause any copy so required by any person to be sent to that person within a period of ten days, exclusive of non-working days and days on which the transfer books of the company are closed, commencing on the day next after the day on which the request is received by the company.

(3) If any inspection required under this section is refused or if any copy required under this section is not sent within the proper period the company and every officer of the company who is in default shall be liable in respect of each offence to a fine not exceeding twenty rupees and to a further fine not exceeding twenty rupees for every day during which the refusal or default continues and the Court may by an order compel an immediate inspection of the register and index or direct that copies required shall be sent to the persons requiring them.

37. A company may, on giving seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the company is situate, close the register of members for any time or times not exceeding in the whole forty-five days in each year but not exceeding thirty days at a time.
Power of Court to rectify register.

38. (1) If—

(a) the name of any person is fraudulently or without sufficient cause entered in or omitted from the register of members of a company; or

(b) default is made or unnecessary delay takes place in entering on the register the fact of any person having ceased to be a member,

the person aggrieved, or any member of the company, or the company, may apply to the Court for rectification of the register.

(2) The Court may either refuse the application, or may order rectification of the register and payment by the company of any damages sustained by any party aggrieved, and may make such order as to costs as it in its discretion thinks fit.

(3) On any application under this section the Court may decide any question relating to the title of any person who is a party to the application to have his name entered in or omitted from the register, whether the question arises between members or alleged members, or between members or alleged members on the one hand and the company on the other hand; and generally may decide any question necessary or expedient to be decided for rectification of the register:

Provided that the Court may direct an issue to be tried in which any question of law may be raised; and an appeal from the decision on such an issue shall lie in the manner directed by the Code of Civil Procedure, 1908, on the grounds mentioned in section 100 of that Code.

29. In the case of a company required by this Act to file a list of its members with the registrar, the Court, when making an order for rectification of the register, shall, by its order, direct notice of the rectification to be filed with the registrar within a fortnight from the date of the completion of the order.

40. The register of members shall be prima facie evidence of any matter directed or authorised by this Act to be inserted therein.

41. (1) A company having a share capital may, if authorised by its articles, cause to be kept in the United Kingdom a branch register of members (in this Act called a British register).

(2) The company shall, within one month from the date of the opening of any British register, file with the registrar notice of the situation of the office where such register is kept and, in the event of any change in the situation of such office or of its discontinuance, shall within one month from the date of such change or discontinuance, as the case may be, file notice of such change or discontinuance.

(3) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.
42. (1) A British register shall be deemed to be part of the company’s register of members (in this section called the principal register).

(2) It shall be kept in the same manner in which the principal register is by this Act required to be kept, except that the advertisement before closing the register shall be inserted in some newspaper circulating in the locality wherein the British register is kept.

(3) The company shall transmit to its registered office in India a copy of every entry in its British register as soon as may be after the entry is made; and shall cause to be kept at such office, duly entered up from time to time, a duplicate of its British register, and the duplicate shall, for all the purposes of this Act, be deemed to be part of the principal register.

(4) Subject to the provisions of this section with respect to the duplicate register, the shares registered in a British register shall be distinguished from the shares registered in the principal register, and no transaction with respect to any shares registered in a British register shall, during the continuance of that registration, be registered in any other register.

(5) The company may discontinue to keep any British register, and thereupon all entries in that register shall be transferred to the principal register.

(6) Subject to the provisions of this Act, any company may, by its articles, make such regulations as it may think fit respecting the keeping of a British register.

43. (1) A company limited by shares, if so authorised by its articles, may, with respect to any fully paid-up shares, or to issue under its common seal a warrant stating that the bearer of the warrant is entitled to the shares or stock therein specified, and may provide by coupons or otherwise, for the payment of the future dividends on the shares or stock included in the warrant, in this Act termed a share-warrant.

(2) Nothing in this section shall apply to a private company.

44. A share-warrant shall entitle the bearer thereof to the shares or stock therein specified, and the shares or stock may be transferred by delivery of the warrant.

45. The bearer of a share-warrant shall, subject to the articles of the company, be entitled, on surrendering it for cancellation, to have his name entered as a member in the register of members; and the company shall be responsible for any loss incurred by any person by reason of the company entering in its register the name of a bearer of a share-warrant in respect of the shares or stock therein specified without the warrant being surrendered and cancelled.

46. The bearer of a share-warrant may, if the articles of the company so provide, be deemed to be a member of the company without the meaning of this Act, either to the full extent or for any purposes defined in the articles, except that he shall not be qualified in respect of the shares or stock specified in the warrant.
being a director or manager of the company, in cases where such a qualifica-
tion is required by the articles.

47. (1) On the issue of a share-warrant, the company shall strike out of
its register of members the name of the member then
entered therein as holding the shares or stock specified in
the warrant as if he had ceased to be a member; and
shall enter in the register the following particulars,
namely:

(i) the fact of the issue of the warrant;
(ii) a statement of the shares or stock included in the warrant,
distinguishing each share by its number; and
(iii) the date of the issue of the warrant.

(2) If a company makes default in complying with the requirements
of this section it shall be liable to a fine not exceeding fifty rupees for every
day during which the default continues, and every officer of the company
who knowingly and wilfully continues or permits the default shall be liable
to the like penalty.

48. Until the warrant is surrendered, the above particulars shall be
deemed to be the particulars required by this Act to be
entered in the register of members; and, on the surrender,
the date of the surrender shall be entered as if it were
the date at which a person ceased to be a member.

50. (1) A company limited by shares, if so autho-
rized by its articles,
can do any one or more of the following things,
namely:

(a) increase its share capital by the issue of new shares of each
amount as it thinks expedient;
(b) consolidate and divide all or any of its share capital into shares
of larger amount than its existing shares;
(c) convert all or any of its paid-up shares into stock and re-conver-
t that stock into paid-up shares of any denomination;
(d) sub-divide its shares, or any of them, into shares of smaller
amount than is fixed by the memorandum, so however, that
in the sub-division the proportion between the amount paid

3. The amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

c. cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

(2) The powers conferred by this section must be exercised by the company in general meeting.

(3) A cancellation of shares in pursuance of this section shall not be deemed to be a reduction of share capital within the meaning of this Act.

(4) The company shall file with the registrar notice of the exercise of any power referred to in clause (d) or clause (e) of sub-section (1) within fifteen days from the exercise thereof.

51. (1) Where a company having a share capital has consolidated and divided its share capital into shares of larger amount than its existing shares or converted any of its shares into stock, or re-converted stock into shares, it shall within fifteen days of the consolidation and division, conversion or re-conversion, file notice with the registrar of the same, specifying the share consolidated and divided, or converted, or the stock re-converted.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and willfully authorises or permits the default shall be liable to the like penalty.

52. Where a company having a share capital has converted any of its shares into stock, and filed notice of the conversion with the registrar, all the provisions of this Act which are applicable to shares only shall cease as to so much of the share capital as is converted into stock; and the register of members of the company, and the list of members to be filed with the registrar, shall show the amount of stock held by each member instead of the amount of shares and the particulars relating to shares hereinafore required by this Act.

53. (1) Where a company having a share capital, whether its shares have or have not been converted into stock, has increased its share capital beyond the registered capital, and where a company not having a share capital has increased the number of its members beyond the registered number, it shall file with the registrar, in the case of an increase of share capital, within fifteen days after the passing of the resolution authorising the increase, and in the case of an increase of members within fifteen days after the increase was resolved on or took place, notice of the increase of capital or members, and the registrar shall record the increase.

(2) The notice to be given as aforesaid shall include particulars of the classes of shares affected and the conditions (if any) subject to which the new shares are to be issued.
(3) If a company makes a default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

54. (1) A company limited by shares may, by special resolution confirmed by an order of the Court, modify the conditions contained in its memorandum so as to reorganize its share capital, whether by the consolidation of shares of different classes or by the division of its shares into shares of different classes:

Provided that no preference or special privilege attached to or belonging to any class of shares shall be interfered with except by resolution passed by a majority in number of shareholders of that class holding three-fourths of the share capital of that class, and every resolution so passed shall bind all shareholders of the class.

(2) Where an order is made under this section, a certified copy thereof shall be filed with the registrar within twenty-one days after the making of the order, or within such further time as the Court may allow, and the resolution shall not take effect until such a copy has been so filed.

Reduction of Share Capital.

54A. (1) No company limited by shares shall have power to buy its own shares or the shares of a public company of which it is a subsidiary company unless the consequent reduction of capital is effected and sanctioned in the manner provided by sections 55 to 66.

(2) No company limited by shares other than a private company, not being a subsidiary company of a public company, shall give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the company:

Provided that nothing in this section shall be taken to prohibit, where the lending of money is part of the ordinary business of a company, the lending of money by the company in the ordinary course of its business.

(3) If a company acts in contravention of this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding one thousand rupees.

(4) Nothing in this section shall affect the right of a company to redeem any shares issued under section 105B.

55. (1) Subject to confirmation by the Court, a company limited by shares, if so authorised by its articles, may by special resolution reduce its share capital, in any way, and in particular (without prejudice to the generality of the foregoing power), may—

(a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up; or

(b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by available assets; or
3. 59] ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936) 21

(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the company, and may, if and so far as is necessary, alter its memorandum by reducing the amount of its share capital and of its shares accordingly.

(2) A special resolution under this section is in this Act called a resolution for reducing share capital.

56. Where a company has passed a resolution for reducing share capital, it may apply by petition to the Court for an order confirming the reduction.

57. On and from the passing by a company of a resolution for reducing share capital, or where the reduction does not involve the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, then on and from the making of the order confirming the reduction the company shall add to its name, until such date as the Court may fix, the words “and reduced” as the last words in its name, and those words shall, until that date, be deemed to be part of the name of the company:

Provided that, where the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, the Court may, if it thinks expedient, dispense altogether with the addition of the words “and reduced”.

58. (1) Where the proposed reduction of share capital involves either the diminution of liability in respect of unpaid share capital, or the payment to any shareholder of any paid-up share capital, the Court may, if it thinks expedient, dispense with the consent of that creditor, on the company securing payment of his debt or claim by appropriating, as the Court may direct, the following amount (that is to say),

(i) if the company admits the full amount of his debt or claim, or, though not admitting it, is willing to provide for it, then the full amount of the debt or claim;
22 COMPANIES ACT

(ii) if the company does not admit or is not willing to provide for the full amount of the debt or claim, or if the amount is contingent or not ascertained, then an amount fixed by the Court after the like inquiry and adjudication as if the company were being wound up by the Court.

60. The Court, if satisfied, with respect to every creditor of the company who under this Act is entitled to object to the reduction, that either his consent to the reduction has been obtained or his debt or claim has been discharged or has been determined or has been secured, may make an order confirming the reduction on such terms and conditions as it thinks fit.

61. (1) The registrar on production to him of an order of the Court confirming the reduction of the share capital of a company, and on the filing with him of a certified copy of the order and of a minute (approved by the Court) showing, with respect to the share capital of the company as altered by the order, the amount of the share capital, the number of shares into which it is to be divided and the amount of each share, and the amount (if any) at the date of the registration deemed to be paid up on each share, shall register the order and minute.

(2) On the registration, and not before, the resolution for reducing share capital as confirmed by the order so registered shall take effect.

(3) Notice of the registration shall be published in such manner as the Court may direct.

(4) The registrar shall certify under his hand the registration of the order and minute, and his certificate shall be conclusive evidence that all the requirements of this Act with respect to reduction of share capital have been complied with, and that the share capital of the company is such as is stated in the minute.

62. (1) The minute when registered shall be deemed to be substituted for the corresponding part of the memorandum of the company, and shall be valid and alterable as if it had been originally contained therein, and shall be embodied in every copy of the memorandum issued after its registration.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

63. (1) A member of the company, past or present, shall not be liable in respect of any share to any call or contribution exceeding in amount the difference (if any) between the amount paid, or (as the case may be) the reduced amount, if any, which is to be deemed to have been paid, on the share and the amount of the share as fixed by the minute:

Provided that, if any creditor, entitled in respect of any debt or claim to object to the reduction of share capital, is, by reason of his ignorance of the
proceedings for reduction, or of their nature and effect with respect to his
claim not entered on the list of creditors, and, after the reduction, the com-
pany is unable, within the meaning of the provisions of this Act with respect
to winding up by the Court, to pay the amount of his debt or claim, then—

(i) every person who was a member of the company at the date
of the registration of the order for reduction and minute,
shall be liable to contribute for the payment of that debt,
or claim an amount not exceeding the amount which he
would have been liable to contribute if the company had
commenced to be wound up on the day before that registra-
tion; and

(ii) if the company is wound up, the Court, on the application of
any such creditor and proof of his ignorance as aforesaid,
may, if it thinks fit, settle accordingly a list of persons so
liable to contribute, and make and enforce calls and orders
on the contributories settled on the list as if they were
ordinary contributories in a winding up.

(2) Nothing in this section shall affect the rights of the contributories
among themselves.

64. If any officer of the company wilfully conceals the name of any
creditor entitled to object to the reduction, or wilfully
misrepresents the nature or amount of the debt or claim
of any creditor, or if any officer of the company abets
any such concealment or misrepresentation as aforesaid,
every such officer shall be punishable with imprisonment which may extend
to one year, or with fine, or with both.

65. In any case of reduction of share capital, the Court may require the
company to publish as the Court directs the reasons for
reduction, or such other information in regard thereto as
the Court may think expedient with a view to give proper
information to the public, and, if the Court thinks fit, the causes which led to
the reduction.

66. A company limited by guarantee and registered after the commence-
ment of this Act may, if it has a share capital and is so
authorised by its articles, increase or reduce its share
capital in the same manner and subject to the same
conditions in and subject to which a company limited by
guarantees having a share capital,

Variation of Shareholders' Rights

66A. (1) If in the case of a company, the share capital of which is
divided into different classes of shares, provision is made
by the memorandum or articles for authorizing the varia-
tion of the rights attached to any class of shares in the
company, subject to the consent of any specified propor-
tion of the holders of the issued shares of that class or
the sanction of a resolution passed at a separate meeting of the holders of
those shares, and in pursuance of the said provision the rights attached to
any such class of shares are at any time varied, the holders of not less in the aggregate than ten per cent. of the issued shares of that class, being persons who did not consent to or vote in favour of the resolution for the variation, may apply to the Court to have the variation cancelled, and where any such application is made the variation shall not have effect unless and until it is confirmed by the Court.

(2) An application under this section must be made within fourteen days after the date on which the consent was given or the resolution was passed, as the case may be, and may be made on behalf of the shareholders entitled to make the application by such one or more of their number as they may appoint in writing for the purpose.

(3) On any such application the Court, after hearing the applicant and any other persons who apply to the Court to be heard and appear to the Court to be interested in the application, may, if it is satisfied having regard to all the circumstances of the case that the variation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation and shall, if not so satisfied, confirm the variation.

(4) The decision of the Court on any such application shall be final.

(5) The company shall within fifteen days after the service on the company of any order made on any such application forward a copy of the order to the registrar and, if default is made in complying with this provision, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.

(6) The expression 'variation' in this section includes 'abrogation' and the expression 'varied' shall be construed accordingly.

Registration of Unlimited Company as Limited.

67. (1) Subject to the provisions of this section, any company registered as unlimited may register under this Act as limited or any company already registered as a limited company may re-register under this Act, but the registration of an unlimited company as a limited company shall not affect any debts, liabilities, obligations or contracts incurred or entered into by, to, with or on behalf of, the company before the registration, and those debts, liabilities, obligations and contracts may be enforced in manner provided by Part VIII of this Act in the case of a company registered in pursuance of that Part.

(2) On registration in pursuance of this section, the registrar shall close the former registration of the company, and may dispense with the delivery to him of copies of any documents with copies of which he was furnished on the occasion of the original registration of the company; but, save as aforesaid, the registration shall take place in the same manner and shall have effect as if it were the first registration of the company under this Act.

68. An unlimited company having a share capital may, by its resolution for registration as a limited company in pursuance of this Act, do either or both of the following things, namely—

(a) increase the nominal amount of its share capital by increasing the nominal amount of each of its shares, but subject to the
condition that no part of the amount by which its capital is
so increased shall be capable of being called up except in the
event and for the purposes of the company being wound up.

(b) provide that a specified portion of its uncalled share capital
shall not be capable of being called up except in the event and
for the purposes of the company being wound up.

Reserve Liability of Limited Company.

69. A limited company may by special resolution determine that any
portion of its share capital which has not been already
called up shall not be capable of being called up, except
in the event and for the purposes of the company being
wound up, and thereupon that portion of its share capital shall not be
capable of being called up except in the event and for the purposes aforesaid.

Unlimited Liability of Directors.

70. (1) In a limited company the liability of the
directors or of any director may, if so provided by the
memorandum, be unlimited.

(2) In a limited company in which the liability of any director is un-
limited, the directors of the company (if any) and the member who proposes
a person for election or appointment to the office of director shall add to that
proposal a statement that the liability of the person holding that office will
be unlimited and the promoters and officers of the company, or one of them,
shall, before the person accepts the office or acts therein, give him notice in
writing that his liability will be unlimited.

(3) If any director or proposer makes default in adding such a state-
ment, or if any promoter or officer of the company makes default in giving
such a notice, he shall be liable to a fine not exceeding one thousand rupees
and shall also be liable for any damage which the person so elected or
appointed may sustain from the default; but the liability of the person
elected or appointed shall not be affected by the default.

Special resolution of limited company, if so authorised by its
articles, may, by special resolution, alter its memorandum
so as to render unlimited the liability of its directors or
of any director.

Upon the passing of any such special resolution, the provisions
thereof shall be as valid as if they had been originally contained in the
memorandum.

PART IV.

MANAGEMENT AND ADMINISTRATION.

Office and Name.

72. (1) A company shall as from the day on which it begins to carry
on business, or as from the twenty-eighth day after the
date of its incorporation, whichever is the earlier, have a
registered office to which all communications and notices
may be addressed.
(2) Notice of the situation of the registered office and of any change therein shall be given within twenty-eight days after the date of the incorporation of the company or of the change, as the case may be, to the registrar who shall record the same.

(3) The inclusion in the annual return of a company of the statement as to the address of its registered office shall not be taken to satisfy the obligation imposed by this section.

(4) If a company carries on business without complying with the requirements of this section it shall be liable to a fine not exceeding fifty rupees for every day during which it so carries on business.

Publication of name by a limited company.

73. Every limited company—

(a) shall paint or affix, and keep painted or affixed, its name on the outside of every office or place in which its business is carried on, in a conspicuous position, in letters easily legible and in English characters, and also, if the registered office be situate in a place beyond the local limits of the ordinary original civil jurisdiction of a High Court, in the characters of one of the vernacular languages used in that place;

(b) shall have its name engraved in legible characters on its seal;

(c) shall have its name mentioned in legible English characters in all bill-heads and letter paper and in all notices, advertisements and other official publications of the company, and in all bills of exchange, hundis, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the company, and in all bills of parcels, invoices, receipts and letters of credit of the company.

74. (1) If a limited company does not paint or affix, and keep painted or affixed, its name in manner directed by this Act, it shall be liable to a fine not exceeding fifty rupees for not so painting or affixing its name, and for every day during which its name is not so kept painted or affixed, and every officer of the company, who knowingly and wilfully authorises or permits the default, shall be liable to the like penalty.

(2) If any officer of a limited company, or any person on its behalf, uses or authorises the use of any seal purporting to be a seal of the company whereon its name is not so engraved as aforesaid, or issues or authorises the issue of any bill-head, letter paper, notice, advertisement or other official publication of the company, or signs or authorises to be signed on behalf of the company any bill of exchange, hundi, promissory note, endorsement, cheque or order for money or goods, or issues or authorises to be issued any bill of parcels, invoice, receipt or letter of credit of the company, wherein its name is not mentioned in manner aforesaid, he shall be liable to a fine not exceeding five hundred rupees, and shall further be personally liable to the holder of any such bill of exchange, hundi, promissory note, cheque or order for money or goods, for the amount thereof, unless the same is duly paid by the company.
S. 77. ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936) 27

75. (1) Where any notice, advertisement or other official publication of a company contains a statement of the amount of the authorized capital of the company, such notice, advertisement or other official publication shall also contain a statement in an equally prominent position and in equally conspicuous characters of the amount of the capital which has been subscribed and the amount paid up.

(2) Any company which makes default in complying with the requirements of this section and every director of the company who is knowingly a party to the default shall be liable to a fine not exceeding one thousand rupees.

Meetings and Proceedings.

76. (1) A general meeting of every company shall be held within eighteen months from the date of its incorporation and thereafter once at least in every calendar year and not more than fifteen months after the holding of the last preceding general meeting.

(2) If default is made in holding a meeting in accordance with the provisions of this section, the company and every director or manager of the company who is knowingly and wilfully a party to the default shall be liable to a fine not exceeding five hundred rupees.

(3) If default is made as aforesaid, the Court may, on the application of any member of the company, call or direct the calling of a general meeting of the company.

77. (1) Every company limited by shares and every company limited by guarantee and having a share capital shall, within a period of not less than one month nor more than six months from the date at which the company is entitled to commence business, hold a general meeting of the members of the company, which shall be called the statutory meeting.

(2) The directors shall, at least twenty-one days before the day on which the meeting is held, forward a report (in this Act referred to as the statutory report) certified as required by this section to every member of the company.

(3) The statutory report shall be certified by not less than two directors of the company or by the chairman of the directors if authorised in this behalf by the directors and shall state—

(a) the total number of shares allotted, distinguishing shares allotted as fully or partly paid up otherwise than in cash, and stating in the case of shares partly paid up the extent to which they are so paid up, and in either case the consideration for which they have been allotted;

(b) the total amount of cash received by the company in respect of all the shares allotted, distinguished as aforesaid;

(c) an abstract of the receipts of the company and of the payments made thereout up to a date within seven days of the date of the report, exhibiting under distinctive headings the receipts of the company from shares and debentures and other sources,
COMPANIES ACT [S. 77

the payments made thereout, and particulars concerning the
balance remaining in hand, and an account or estimate of
the preliminary expenses of the company showing separately
any commission or discount paid on the issue or sale of
shares;

(d) the names, addresses and descriptions of the directors, auditors,
managing agents and managers, if any, and secretary
of the company and the changes, if any, which have occurred
since the date of the incorporation;

(c) the particulars of any contract, the modification of which is to
be submitted to the meeting for its approval, together with
the particulars of the modification or proposed modification;

(f) the extent to which underwriting contracts, if any, have been
carried out;

(g) the arrears, if any, due on calls from directors, managing
agents and managers; and

(h) the particulars of any commission or brokerage paid or to be
paid in connection with the issue or sale of shares to any
director, managing agent or manager or a partner of the
managing agent if the managing agent is a firm or if the
managing agent is a private company a director thereof.

(4) The statutory report shall, so far as it relates to the shares
allotted by the company, and to the cash received in respect of such shares
and to the receipts and payments of the company, be certified as correct
by the auditors of the company.

(5) The directors shall cause a copy of the statutory report certified
as required by this section to be delivered to the registrar for registration
forthwith after the sending thereof to the members of the company.

(6) The directors shall cause a list showing the names, descriptions
and addresses of the members of the company, and the number of shares
held by them respectively, to be produced at the commencement of the
meeting, and to remain open and accessible to any member of the company
during the continuance of the meeting.

(7) The members of the company present at the meeting shall be at
liberty to discuss any matter relating to the formation of the company or
arising out of the statutory report, whether previous notice has been given
or not, but no resolution of which notice has not been given in accordance
with the articles may be passed.

(8) The meeting may adjourn from time to time, and at any adjourned
meeting any resolution of which notice has been given in accordance
with the articles, either before or subsequently to the former meeting, may be
passed, and the adjourned meeting shall have the same powers as an original
meeting.

(9) If a petition is presented to the Court in manner provided by
Part V for winding up the company on the ground of default in filing the
statutory report or in holding the statutory meeting, the Court may, instead
of directing that the company be wound up, give directions for the statutory
report to be filed or a meeting to be held, or make such other order as may
be just.
(20) In the event of any default in complying with the provisions of this section every director of the company who is guilty of or who knowingly and wilfully authorises or permits the default shall be liable to a fine not exceeding five hundred rupees.

(21) This section shall not apply to a private company.

78. (1) Notwithstanding anything in the articles, the directors of a company which has a share capital shall, on the requisition of the holders of not less than one-tenth of the issued share capital of the company upon which all calls or other sums then due have been paid, forthwith proceed to call an extraordinary general meeting of the company.

(2) The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form, each signed by one or more requisitionists.

(3) If the directors do not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called, the requisitionists, or a majority of them in value, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the deposit of the requisition.

(4) Any meeting called under this section by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by directors.

(5) Any reasonable expenses incurred by the requisitionists by reason of the failure of the directors duly to convene a meeting shall be repaid to the requisitionists by the company, and any sum so repaid shall be retained by the company out of any sums due or to become due from the company by way of fees or other remuneration for their services to such of the directors as were in default.

79. (1) The following provisions shall have effect with respect to meetings of a company other than a private company not being a subsidiary of a public company and the procedure thereof, notwithstanding any provision made in the articles of the company in this behalf:

(a) a meeting of a company other than a meeting for the passing of a special resolution may be called by not less than fourteen days' notice in writing; but with the consent of all the members entitled to receive notice of some particular meeting that meeting may be convened by such shorter notice and in such manner as those members may think fit;

(b) notice of the meeting of a company with a statement of the business to be transacted at the meeting shall be served on every member in the manner in which notices are required to be served by Table A and for the purpose of this clause the expression 'Table A' means that table as for the time being in force; but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any meeting.
(e) five members present in person or by proxy, or the chairman of the meeting, or any member or members holding not less than one-tenth of the issued capital which carries voting rights shall be entitled to demand a poll: Provided that in the case of a private company if not more than seven members are personally present, one member, and if more than seven members are personally present, two members shall be entitled to demand a poll;

(d) an instrument appointing a proxy, if in the form set out in regulation 67 of Table A, shall not be questioned on the ground that it fails to comply with any special requirements specified for such instruments by the articles; and

(e) any shareholder whose name is entered in the register of shareholders of the company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

(3) The following provisions shall have effect in so far as the articles of the company do not make other provision in that behalf:

(a) two or more members holding not less than one-tenth of the total share capital paid up or, if the company has not a share capital, not less than five per cent. in number of the members of the company may call a meeting;

(b) in the case of a private company two members and in the case of any other company five members personally present shall be a quorum;

(c) any member elected by the members present at a meeting may be chairman thereof;

(d) in the case of a company originally having a share capital, every member shall have one vote in respect of each share or each hundred rupees of stock held by him, and in any other case every member shall have one vote;

(e) on a poll votes may be given either personally or by proxy;

(f) the instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or an attorney duly authorised; and

(g) a proxy must be a member of the company.

(3) If for any reason it is impracticable to call a meeting of a company in any manner in which meetings of that company may be called or to conduct the meeting of the company in manner prescribed by the articles or this Act, the Court may, either of its own motion or on the application of any director of the company or of any member of the company who would be entitled to vote at the meeting, order a meeting of the company to be called, held and conducted in such manner as the Court thinks fit, and where any such order is given may give such ancillary or consequential directions as it thinks expedient, and any meeting called, held and conducted in accordance with any such order shall for all purposes be deemed to be a meeting of the company duly called, held and conducted.
80. A company which is a member of another company may, by resolution of the directors, authorise any of its officials or any other person to act as its representative at any meeting of that other company, and the person so authorised shall be entitled to exercise the same powers on behalf of the company which he represents as if he were an individual shareholder of that other company.

81. (1) A resolution shall be an extraordinary resolution when it has been passed by a majority of not less than three-fourths of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a general meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given.

(2) A resolution shall be a special resolution when it has been passed by such a majority as is required for the passing of an extraordinary resolution and at a general meeting of which not less than twenty-one days’ notice specifying the intention to propose the resolution as a special resolution has been duly given:

Provided that, if all the members entitled to attend and vote at any such meeting so agree, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one days’ notice has been given.

(3) At any meeting at which an extraordinary resolution or a special resolution is submitted to be passed, a declaration of the chairman on a show of hands that the resolution is carried shall, unless a poll is demanded, be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

(4) At any meeting at which an extraordinary resolution or a special resolution is submitted to be passed, a poll may be demanded.

(5) In a case where, if a poll is demanded, it may in accordance with the articles be taken in such manner as the chairman may direct, it may, if the chairman so directs, be taken at the meeting at which it is demanded.

(6) When a poll is demanded in accordance with this section, in computing the majority on the poll, reference shall be had to the number of votes to which each member is entitled by the articles of the company or under this Act.

(7) For the purposes of this section notice of a meeting shall be deemed to be duly given and the meeting to be duly held when the notice is given and the meeting held in manner provided by the articles or under this Act.

82. (1) A copy of every special and extraordinary resolution shall, within fifteen days from the passing thereof, be printed or typewritten and duly certified under the signature of an officer of the company and filed with the registrar who shall record the same.

(2) Where articles have been registered, a copy of every special resolution for the time being in force shall be embodied in or annexed to every copy of the articles issued after the date of the resolution.
(3) Where articles have not been registered, a copy of every special resolution shall be forwarded in print to any member at his request, on payment of one rupee or such less sum as the company may direct.

(4) If a company makes default in so filing with the registrar a copy of a special or extraordinary resolution, it shall be liable to a fine not exceeding twenty rupees for every day during which the default continues.

(5) If a company makes default in embodying in or annexing to a copy of its articles or in forwarding to a member when required by this section a copy of a special resolution, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made.

(6) Every officer of a company who knowingly and wilfully authorises or permits any default by the company in complying with the requirements of this section shall be liable to the like penalty as is imposed by this section on the company for that default.

Minutes of proceedings of general meetings and of its directors.

(1) Every company shall cause minutes of all proceedings of general meetings and of its directors to be entered in books kept for that purpose.

(2) Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were held, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.

(3) Until the contrary is proved, every general meeting of the company or meeting of directors in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly called and held, and all proceedings had thereat to have been duly had, and all appointments of directors or liquidators shall be deemed to be valid.

(4) The books containing the minutes of proceedings of any general meeting of a company held after the commencement of the Indian Companies (Amendment) Act, 1886, shall be kept at the registered office of the company and shall during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose so that no less than two hours in each day may be allowed for inspection) be open to the inspection of any member without charge.

(5) Any member shall at any time after seven days from the meeting be entitled to be furnished within seven days after he has made a request in that behalf to the company with a copy of any minutes referred to in sub-section (4) at a charge not exceeding six annas for every hundred words.

(6) If any inspection required under sub-section (4) of this section is refused or if any copy required under sub-section (5) of this section is not furnished within the time specified in sub-section (5) the company and every officer of the company who is knowingly and wilfully in default shall be liable in respect of each offence to a fine not exceeding twenty-five rupees and to a further fine to twenty-five rupees for every day during which the default continues.

(7) In the case of any such refusal or default, the Court may by order compel an immediate inspection of the books in respect of all proceedings of general meetings or direct that the copies required shall be sent to the persons requiring them.
Directors.

Every company shall have at least three directors.

This section shall not apply to a private company, except a private company being a subsidiary company of a public company.

In default of and subject to any regulations in the articles of a company other than a private company—

(i) the subscribers of the memorandum shall be deemed to be the directors of the company until the first directors shall have been appointed;

(ii) the directors of the company shall be appointed by the members in general meeting; and

(iii) any casual vacancy occurring among the directors may be filled up by the directors, but the person so appointed shall be subject to retirement at the same age as if he had become a director on the day on which the director in whose place he is appointed was last appointed a director.

Notwithstanding anything contained in the articles of a company other than a private company not less than two-thirds of the whole number of directors shall be persons whose period of office is liable to determination at any time by retirement of directors in rotation:

Provided that nothing herein contained shall apply to a company incorporated before the commencement of the Indian Companies (Amendment) Act, 1936, where by virtue of the articles of the company the number of directors whose period of office is liable to determination at any time by retirement of directors in rotation falls below the two-thirds proportion mentioned in this section.

A person shall not be capable of being appointed director of a company by the articles, and shall not be named as a director or proposed director of a company in any prospectus issued by or on behalf of the company or in any statement in lieu of prospectus filed by or on behalf of a company, unless, before the registration of the articles or the publication of the prospectus, or the filing of the statement in lieu of prospectus, as the case may be, he has, by himself or by his agent authorized in writing—

(i) signed and filed with the registrar a consent in writing to act as such director; and

(ii) in the case of companies not having a share capital, either signed the memorandum for a number of shares not less than his qualification (if any), or taken from the company and paid or agreed to pay for his qualification shares or signed and filed with the registrar a contract in writing to take from the company and pay for his qualification shares (if any), or made and filed with the registrar an affidavit in the effect that a number of shares, not less than his qualification (if any), are registered in his name.
COMPANIES ACT

(2) On the application for registration of the memorandum and articles, if any, of a company, the applicant shall file with the registrar a list of the persons who have consented to be directors of the company, and, if this list contains the name of any person who has not so consented, the applicant shall be liable to a fine not exceeding five hundred rupees.

(3) This section shall not apply to a private company or a company which was a private company before becoming a public company nor to a prospectus issued by or on behalf of a company after the expiration of one year from the date at which the company is entitled to commence business.

85. (1) Without prejudice to the restrictions imposed by section 84, it shall be the duty of every director who is by the articles required to hold a specified share qualification, and who is not already qualified, to obtain his qualification within two months after his appointment, or such shorter time as may be fixed by the articles.

(2) If, after the expiration of the said period or shorter time, any unqualified person acts as a director of the company, he shall be liable to a fine not exceeding fifty rupees for every day between the expiration of the said period or shorter time and the last day on which it is proved that he acted as a director.

86. The acts of a director shall be valid notwithstanding any defect that may afterwards be discovered in his appointment or qualification: Provided that nothing in this section shall be deemed to give validity to acts done by a director after the appointment of such director has been shown to be invalid.

86A. (1) If any person being an undischarged insolvent acts as director or managing agent or manager of any company, he shall be liable to imprisonment for a term not exceeding two years or to a fine not exceeding one thousand rupees or to both.

(2) In this section the expression 'company' includes a company incorporated outside British India which has an established place of business within British India.

86B. If in the case of any company provision is made by the articles or by any agreement entered into between any person and the company for empowering a director or manager of the company to assign his office as such to another person, any assignment of office made in pursuance of the said provision shall, notwithstanding anything to the contrary contained in the said provision, be of no effect unless and until it is approved by a special resolution of the company.

Provided always that any such alternate or substitute director shall ipso facto vacate office if and when the appointor returns to the district in which meetings of the directors are ordinarily held.
Explanation.—For the purposes of the provisoes to this section, the presidency-towns of Calcutta and Madras shall be deemed to be part of the 24-Parganas and Chingleput districts, respectively, and the presidency-town of Bombay shall be deemed to be part of the Bombay Suburban and the Thana districts.

38C. Save as provided in this section, any provision, whether contained in the articles of a company or in any contract with a company or otherwise, for exempting any director, manager or officer of the company or any person (whether an officer of the company or not) employed by the company as auditor from or indemnifying him against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the company shall be void:

Provided that—

(a) in relation to any such provision which is in force at the date of the commencement of the Indian Companies (Amendment) Act, 1936, this section shall have effect only after the expiration of a period of six months from that date, and

(b) nothing in this section shall operate to deprive any person of any exemption or right to be indemnified in respect of anything done or omitted to be done by him while any such provision was in force, and

(c) notwithstanding anything in this section, a company may, in pursuance of any such provision as aforesaid, indemnify any such director, manager, officer or auditor against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 881 of this Act in which relief is granted to him by the Court.

38D. (1) No company shall make any loan or guarantee any loan made to a director of the company or to a firm of which such director is a partner or to a private company of which such director is a director.

(2) In the event of any contravention of sub-section (1) any director of the company who is a party to such contravention shall be punishable with fine which may extend to five hundred rupees, and if default is made in repayment of the loan or in discharging the guarantee shall be liable jointly and severally for the amount unpaid.

(3) This section shall not apply to a private company (except a private company which is the subsidiary company of a public company) or to a banking company.

38E. No director or firm of which such director is a partner or private company of which such director is a director shall hold any office of profit under the company except that of a managing director or manager or a legal or technical adviser or a banker.
Provided that nothing herein contained shall apply to a director elected or appointed before the commencement of the Indian Companies (Amendment) Act, 1936, in respect of any office of profit held by the company held by him at the commencement of the said Act.

Explanation.—For the purposes of this section the office of managing agent shall not be deemed to be an office of profit under the company.

86F. Except with the consent of the directors, a director of the company, or the firm of which he is a partner or any partner of such firm, or the private company of which he is a member or director, shall not enter into any contracts for the sale, purchase or supply of goods and materials with the company, provided that nothing herein contained shall affect any such contract or agreement for such sale, purchase or supply entered into before the commencement of the Indian Companies (Amendment) Act, 1936.

86G. (1) The company may by extraordinary resolution remove any director, whose period of office is liable to determination at any time by retirement of directors in rotation, before the expiration of his period of office and may by ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected director. A director so removed shall not be reappointed a director by the board of directors.

(2) This section shall not apply to directors elected or appointed before the commencement of the Indian Companies (Amendment) Act, 1936.

86H. The directors of a public company or of a subsidiary company of a public company shall not, except with the consent of the company concerned in general meeting—

(a) sell or dispose of the undertaking of the company;
(b) remit any debt due by a director.

86I. (1) The office of a director shall be vacated if—

(a) he fails to obtain within the time specified in sub-section (1) of section 84, or at any time thereafter ceases to hold, the share qualification, if any, necessary for his appointment,
(b) he is adjudged an insolvent, or
(c) he fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made, or
(d) he or any firm of which he is a partner or any private company of which he is a director without the sanction of the company in general meeting accepts or holds any office of
S. 87  ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936) 37

profit under the company other than that of a managing director or manager or a legal or technical adviser or a banker, or

(f) he abstains himself from three consecutive meetings of the directors or from all meetings of the directors for a continuous period of three months whichever is the longer without leave of absence from the board of directors, or

(g) he or any firm of which he is a partner or any private company of which he is a director accepts a loan or guarantee from the company in contravention of section 86D, or

(h) he acts in contravention of section 86F.

(2) Nothing contained in this section shall be deemed to preclude a company from providing by its articles that the office of director shall be vacated on grounds additional to those specified in this section.

87. (1) Every company shall keep at its registered office a register of its directors, managers and managing agents containing with respect to each of them the following particulars, that is to say—

(a) in the case of an individual, his present name in full, any former name or surname in full, his usual residential address, his nationality and, if that nationality is not the nationality of origin, his nationality of origin and his business occupation, if any, and if he holds any other directorship or directorships the particulars of such directorship or directorships,

(b) in the case of a corporation, its corporate name and registered or principal office; and the full name, address and nationality of each of its directors; and

(c) in the case of a firm, the full name, address and nationality of each partner, and the date on which each became a partner.

(2) The company shall within the periods respectively mentioned in this sub-section send to the registrar a return in the prescribed form containing the particulars specified in the said register and a notification in the prescribed form of any change among its directors, managers or managing agents or in any of the particulars contained in the register.

The period within which the said return is to be sent shall be a period of fourteen days from the appointment of the first directors of the company and the period within which the said notification of a change is to be sent shall be fourteen days from the happening thereof.

(3) The register to be kept under this section shall during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member of the company without charge and of any other person on payment of one rupee or such less sum as the company may impose for each inspection.

(4) If any inspection required under this section is refused or if default is made in complying with sub-section (1) or sub-section (2) of this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine of fifty rupees.
(5) In the case of any such refusal, the Court on application made by the person to whom inspection has been refused and upon notice to the company may by order direct an immediate inspection of the register.

Managing Agents.

87A. (1) No managing agent shall, after the commencement of the Indian Companies (Amendment) Act, 1936, be appointed to hold office for a term of more than twenty years at a time.

(2) Notwithstanding anything to the contrary contained in the articles of a company or in any agreement with the company a managing agent of a company appointed before the commencement of the Indian Companies (Amendment) Act, 1936, shall not continue to hold office after the expiry of twenty years from the commencement of the said Act unless then reappointed thereto or unless he has been reappointed thereto before the expiry of the said twenty years.

(3) A managing agent whose office is terminated by virtue of the provisions of sub-section (2) shall upon such termination be entitled to a charge upon the assets of the company by way of indemnity for all liabilities or obligations properly incurred by the managing agent on behalf of the company subject to existing charges and encumbrances, if any.

(4) The termination of the office of a managing agent by virtue of the provisions of sub-section (2) shall not take effect until all moneys payable to the managing agent for loans made to or remuneration due up to the date of such termination from the company are paid.

(5) Nothing in this section shall apply to a private company which is not the subsidiary company of a public company.

Conditions applicable to managing agents.

87B. Notwithstanding anything to the contrary contained in the articles of the company or in any agreement with the company—

(a) a company may, by resolution passed at a general meeting of which notice has been given to the managing agent in the same manner as to the members of the company remove a managing agent if he is convicted of an offence in relation to the affairs of the company punishable under the Indian Penal Code, and being under the provisions of the Code of Criminal Procedure, 1898, non-bailable; and for the purposes of this clause, where the managing agent is a firm or company an offence committed by a member of such firm or a director of or an officer holding a general power of attorney from such company shall be deemed to be an offence committed by such firm or company;

Provided that a managing agent shall not be liable to be removed under the provisions hereof if the offending member, director or officer as aforesaid is expelled or dismissed by the managing agent within thirty days from the date of his conviction or if his conviction is set aside on appeal;

(b) the office of a managing agent shall be vacated if he is adjudged insolvent;

(c) a transfer of his office by a managing agent shall be void unless approved by the company in general meeting:
Provided that in the case of a managing agent's firm a change in the partners thereof shall not be deemed to operate as a transfer of the office of managing agent, so long as one of the original partners shall continue to be a partner of the managing agent's firm. For the purpose of this proviso 'original partners' shall mean, in the case of managing agents appointed before the commencement of the Indian Companies (Amendment) Act, 1936, partners who were partners at the date of the commencement of the said Act, and in the case of managing agents appointed after the commencement of the said Act, partners who were partners at the date of the commencement;

(d) a charge or assignment of his remuneration or any part thereof effected by a managing agent shall be void as against the company;

(e) if a company is wound up either by the Court or voluntarily, any contract of management made with a managing agent shall be thereby terminated without prejudice however, to the right of the managing agent to recover any moneys recoverable by the managing agent from the company:

Provided that where the Court finds that the winding up is due to the negligence or default of the managing agent himself the managing agent shall not be entitled to receive any compensation for the premature termination of the contract of management; and

(f) the appointment of a managing agent, the removal of a managing agent and any variation of a managing agent's contract of management made after the commencement of the Indian Companies (Amendment) Act, 1936, shall not be valid unless approved by the company by a resolution at a general meeting of the company notwithstanding anything to the contrary in section 87C:

Provided that nothing herein contained shall apply to the appointment of a company's first managing agent made prior to the issue of the prospectus or statement in lieu of prospectus where the terms of the appointment of such managing agent are set forth.

87C. (1) Where any company appoints a managing agent after the commencement of the Indian Companies (Amendment) Act, 1936, the remuneration of the managing agent shall be a sum based on a fixed percentage of the net annual profits of the company, with provision for a minimum payment in the case of absence of or inadequacy of profits, together with an office allowance to be defined in the agreement of management.

(2) Any stipulation for remuneration additional to or in any other form than the remuneration specified in sub-section (1) shall not be binding on the company unless sanctioned by a special resolution of the company.

(3) For the purposes of this section 'net profits' means the profits of the company calculated after allowing for all the usual working charges, interest on loans and advances, repairs and outgoings, depreciation, bounties or subsidies received from Government or from a public body, profits by way of
40  COMPANIES  ACT

§. 87D

premium on shares sold, profits on sale proceeds of forfeited shares, or profits from the sale of the whole or part of the undertaking of the company but without any deduction in respect of income-tax or super-tax, or any other tax or duty on income or revenue or for expenditure by way of interest on debentures or otherwise on capital account or on account of any sum which may be set aside in each year out of the profits for reserve or any other special fund.

(4) This section shall not apply to a private company except a private company which is the subsidiary company of a public company or to any company whose principal business is the business of insurance.

§7D. (1) No company shall make to a managing agent of the company or to any partner of the firm, if the managing agent is a firm, or to any director of the private company, if the managing agent is a private company, any loan out of moneys of the company or guarantee any loan made to a managing agent.

(2) Nothing contained in this section shall apply to any credit held by a managing agent in a current account maintained subject to limits previously approved by the board of directors by the company with the managing agent for the purposes of the company's business.

(3) In the event of any contravention of sub-section (1) any director of the company who is a party to the making of the loan or giving of the guarantee shall be punishable with fine which may extend to five hundred rupees, and if default is made in repayment of the loan or discharging the guarantee shall be liable jointly and severally for the amount unpaid.

(4) Nothing in this section shall apply to a private company except a private company which is the subsidiary company of a public company.

(5) Except with the consent of three-fourths of the directors present and entitled to vote on the resolution, a managing agent of the company, or the firm of which he is a partner, or any partner of such firm, or, if the managing agent is a private company, a member or director thereof, shall not enter into any contract for the sale, purchase or supply of goods or materials with the company, provided that nothing herein contained shall affect any such contract for such sale, purchase or supply entered into before the commencement of the Indian Companies (Amendment) Act, 1936.

§8E. (1) No company incorporated under this Act after the commencement of the Indian Companies (Amendment) Act, 1936, which is under the management of a managing agent having the power to make any loan to or guarantee any loan made to any company under management by the same managing agent, and no company shall after the expiry of six months from the commencement of this Act except by way of renewal of an existing loan or guarantee given make any loan to or guarantee any loan made to any such company:

Provided that nothing herein contained shall apply to loans made or guarantees given by a company to or on behalf of a company under its own management or loans made by or to a company to or by a subsidiary company thereof to or guarantees given by a company on behalf of a subsidiary company thereof.

(2) In the event of any contravention of the provisions of this section, any director or officer of the company making the loan or giving the
guarantee who is knowingly and wilfully in default shall be liable to a fine not exceeding one thousand rupees and shall be jointly and severally liable for any loss incurred by the company in respect of such loan or guarantee.

A company other than an investment company, that is to say, a company whose principal business is the acquisition and holding of shares, stocks, debentures or other securities, shall not purchase shares or debentures of any company under management by the same managing agent, unless the purchase has been previously approved by a unanimous decision of the board of directors of the purchasing company.

A managing agent shall not exercise in respect of any company of which he is a managing agent a power to issue debentures except with the authority of the directors, and within the limits fixed by them, a power to invest the funds of the company, and any delegation of any such power by a company to a managing agent shall be void.

A managing agent shall not on his own account engage in any business which is of the same nature as and directly competes with the business carried on by a company under his management or by a subsidiary company of such company.

Notwithstanding anything contained in the articles of a company other than a private company the directors, if any, appointed by the managing agent shall not exceed in number one-third of the whole number of directors.

Contracts.

Form of contracts.

(1) Contracts on behalf of a company may be made as follows (that is to say):

(i) any contract which, if made between private persons, would be by law required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the company in writing signed by any person acting under its authority, express or implied, and may in the same manner be varied or discharged;

(ii) any contract which, if made between private persons, would by law be valid although made by parol only, and not reduced into writing, may be made by parol on behalf of the company by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.

All contracts made according to this section shall be effective in law and shall bind the company and its successors and all other parties thereto, their heirs, or legal representatives, as the case may be.

A bill of exchange, hundi or promissory note shall be deemed to have been made, drawn, accepted or endorsed on behalf of a company if made, drawn, accepted or endorsed in the name of, or by or on behalf of, or on account of, the company by any person acting under its authority, express or implied.
42  COMPANIES ACT [S. 90

90. A company may, by writing under its common seal, empower any person, either generally or in respect of any specified matters, as its attorney, to execute deeds on its behalf in any place either in or outside British India; and every deed signed by such attorney, on behalf of the company, and under his seal, where sealing is required, shall bind the company, and have the same effect as if it were under its common seal.

91. (1) A company whose objects require or comprise the transaction of business beyond the limits of British India may, if authorized by its articles, have for use in any territory, district or place not situate in British India, an official seal, which shall be a facsimile of the common seal of the company, with the addition on its face of the name of every territory, district or place where it is to be used.

(2) A company having such an official seal may, by writing under its common seal, authorize any person appointed for the purpose in any territory, district or place not situate in British India to affix the same to any deed or other document to which the company is party in that territory, district or place.

(3) The authority of any such agent shall, as between the company and any person dealing with the agent, continue during the period (if any) mentioned in the instrument conferring the authority, or if no period is there mentioned, then until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.

(4) The person affixing any official seal shall, by writing under his hand, on the deed or other document to which the seal is affixed, certify the date and place of affixing the same.

(5) A deed or other document to which an official seal is duly affixed shall bind the company as if it had been sealed with the common seal of the company.

314. (1) Every director who is directly or indirectly concerned or interested in any contract or arrangement entered into by or on behalf of the company shall disclose the nature of his interest at the meeting of the directors at which the contract or arrangement is determined on, if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest or the making of the contract or arrangement:

Provided that a general notice that a director is a director or a member of any specified company or is a member of any specified firm and is to be regarded as interested in any subsequent transaction with such firm or company, shall as regards any such transaction be sufficient disclosure within the meaning of this sub-section and after such general notice, it shall not be necessary to give any special notice relating to any particular transaction with such firm or company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.

(3) A register shall be kept by the company in which shall be entered particulars of all contracts or arrangements to which sub-section (1) applies.
and which shall be open to inspection by any member of the company at the registered office of the company during business hours.

4. Every officer of the company who knowingly and wilfully acts in contravention of the provisions of sub-section (3) shall be liable to a fine not exceeding five hundred rupees.

91B. (1) No director shall, as a director, vote on any contract or arrangement in which he is either directly or indirectly concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of any such vote; and if he does so vote, his vote shall not be counted:

Provided that the directors or any of them may vote on any contract of indemnity against any loss which they or any one or more of them may suffer by reason of becoming or being sureties for the company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.

(3) This section shall not apply to a private company:

Provided that where a private company is a subsidiary company of a public company, this section shall apply to all contracts or arrangements made on behalf of the subsidiary company with any person other than the holding company.

91C. (1) Where a company enters into a contract for the appointment of a manager or managing agent of the company in which contract any director of the company is directly or indirectly concerned or interested, or varies any such existing contract, the company shall, within twenty-one days from the date of entering into the contract or the varying of the contract, send an abstract of the terms of such contract or variation, as the case may be, together with a memorandum clearly indicating the nature of the interest of the director in such contract, or in such variation, to every member; and the contract shall be open to the inspection of any member at the registered office of the company.

(2) If a company makes default in complying with the requirements of sub-section (1), it shall be liable to a fine not exceeding one thousand rupees; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

91D. (1) Every manager or other agent of a company other than a private company, not being the subsidiary company of a public company who enters into a contract for or on behalf of the company in which contract the company is an undisclosed principal shall, at the time of entering into the contract, make a memorandum in writing of the terms of the contract, and specify therein the person with whom it has been made.

(2) Every such manager or other agent shall forthwith deliver the memorandum aforesaid to the company and send copies to the directors and such memorandum shall be filed in the office of the company and laid before the directors at the next directors' meeting.
(3) If any such manager or other agent makes default in complying with the requirements of this section—
(a) the contract shall, at the option of the company, be void as against the company; and
(b) such manager or other agent shall be liable to a fine not exceeding two hundred rupees.

Prospectus.

92. (1) Every prospectus issued by or on behalf of a company or in relation to any intended company shall be dated, and that date shall, unless the contrary be proved, be taken as the date of publication of the prospectus.

(2) A copy of every such prospectus, signed by every person who is named therein as a director or proposed director of the company, or by his agent authorised in writing, shall be filed for registration with the registrar on or before the date of its publication, and no such prospectus shall be issued until a copy thereof has been so filed for registration.

(3) The registrar shall not register any prospectus unless it is dated, and the copy thereof signed, in manner required by this section.

(4) Every prospectus shall state on the face of it that a copy has been filed for registration as required by this section.

(5) If a prospectus is issued without a copy thereof being so filed, the company, and every person who is knowingly a party to the issue of the prospectus, shall be liable to a fine not exceeding fifty rupees for every day from the date of the issue of the prospectus until a copy thereof is so filed.

93. (1) Every prospectus issued by or on behalf of a company, or by or on behalf of any person who is or has been appointed or interested in the formation of the company, shall state—
(a) the contents of the memorandum, with the names, descriptions and addresses of the signatories and the number of shares subscribed for by them respectively; and the number of founders or management or deferred shares (if any) and the nature and extent of the interest of the holders in the property and profits of the company and the number of redeemable preference shares intended to be issued with the date or, where no date is fixed, the period of notice required and the proposed method of redemption;
(b) the number of shares (if any) fixed by the articles as the qualification of a director, and any provision in the articles as to the remuneration of the directors; and
(c) the names, descriptions and addresses of the directors or proposed directors and of the managers or proposed managers and managing agents or proposed managing agents (if any) and any provision in the articles or in any contract as to the appointment of managers or managing agents and the remuneration payable to them; and
(d) the minimum subscription on which the directors may proceed to allotment, and the amount payable on application and allotment.
on each share; and in the case of a second or subsequent offer of shares, the amount offered for subscription on each previous allotment made within the two preceding years, and the amount actually allotted, and the amount (if any) paid on the shares so allotted; and

e) the number and amount of shares and debentures which within the two preceding years have been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash, and in the latter case the extent to which they are so paid up, and in either case the consideration for which those shares or debentures have been issued or agreed to be issued; and

fa) where any issue of shares or debentures is underwritten, the names of the underwriters, and the opinion of the directors that the resources of the underwriters are sufficient to discharge the underwriting obligations; and

(f) the names and addresses of the vendors of any property purchased or acquired by the company, or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by the prospectus, or the purchase or acquisition of which has not been completed at the date of issue of the prospectus, and the amount payable in cash, shares or debentures to the vendor, and where there is more than one separate vendor or the company is a sub-purchaser, the amounts so payable to each vendor. Provided that where the vendors or any of them are a firm, the members of the firm shall not be treated as separate vendors; and

(ff) where any property referred to in clause (f) has within the two years preceding the issue of the prospectus been transferred by sale, the amount paid by the purchaser at each such transfer so far as the information is available and, where any such property is a business, the profits accruing from such business during each of the three years immediately preceding the issue of the prospectus or during each year of the existence of the business if less than three years, as far as the information is available. A balance sheet of the business concerned made up to a date not more than ninety days before the date of the issue of the prospectus shall be appended to the prospectus; and

(g) the amount (if any) paid or payable as purchase-money in cash, shares or debentures, for any such property as aforesaid, specifying the amount (if any) payable for goodwill; and

(h) the amount (if any) paid within the two preceding years or payable, as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in, or debentures of, the company, or as discount in respect of shares issued, showing separately the amount, if any, so paid to the managing agents: Provided that it shall not be necessary to state the commission payable to sub-underwriters; and

(i) the amount or estimated amount of preliminary expenses; and
(k) the amount paid within the two preceding years or intended to be paid to any promoter, and the consideration for any such payment; and

(l) the dates of, and parties to, every material contract, including contracts relating to the acquisition of property to which clause (f) applies, and a reasonable time and place at which any material contract or a copy thereof may be inspected.

Provided that this requirement shall not apply to a contract entered into in the ordinary course of the business carried on or intended to be carried on by the company, or to any contract (except a contract appointing or fixing the remuneration of a managing director or managing agent) entered into more than two years before the date of issue of the prospectus; and

(m) the names and addresses of the auditors (if any) of the company; and

(n) full particulars of the nature and extent of the interest (if any) of every director in the promotion of, or in the property proposed to be acquired by, the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company; and

(o) where the company is a company having shares of more than one class, the right of voting at meetings of the company conferred by and the rights in respect of capital and dividends attached to the several classes of shares respectively; and

(p) where the articles of the company impose any restrictions upon the members of the company in respect of the right to attend, speak or vote at meetings of the company or of the right to transfer shares, or upon the directors of the company in respect of their powers of management, the nature and extent of those restrictions.

(1A) Where the prospectus is issued by a company which has been carrying on business prior to the issue thereof, the prospectus shall set out the following reports in addition to the matters referred to in sub-section (1), namely:

(i) a report by the auditors of the company with respect to the profits of the company including its subsidiary companies, if any, so far as the information is available in each of the three financial years immediately preceding the issue of the prospectus and with respect to the rates of the dividends, if any, paid by the company on each class of shares in the company for each of the said three years giving particulars of each such class of shares on which such dividends have been paid and the source from which the dividends have been paid and particulars of the cases in which no dividends have been paid on any class of shares for any of those years.
3. if no accounts have been made up for any part of a period of three years ending on a date three months before the issue of the prospectus, containing a statement of that fact;

(ii) if the proceeds or any part of the proceeds of the issue of the shares or debentures are or is to be applied directly or indirectly in the purchase of any business, a report made by an accountant or accountants holding the certificate referred to in section 144 who shall be named in the prospectus upon the profits of the business in respect of each of the three financial years immediately preceding the issue of the prospectus:

Provided that if, in the case of a company which has been carrying on business for less than three years, the accounts of the company have been made up only in respect of two years or any shorter period, this sub-section shall have effect as if references to two years or such shorter period were substituted for references to three years.

(1B) The statement referred to in clause (f) of sub-section (1) and the report referred to in sub-section (1A) with respect to the profits of a company or business shall show clearly the trading results and all charges and expenses incidental thereto excluding income or profits having no relation to the trading for the period covered and excluding also items of profit or income of a non-recurrent nature but including amounts appropriated from profits to such purposes as payment of taxation or reserves.

(1C) Where any part of the sums required for the matters set out in sub-section (2) of section 101 is to be provided out of sources other than share capital particulars of the amount to be so provided and the sources thereof.

(2) Where any such prospectus as is mentioned in this section is published as a newspaper advertisement, it shall not be necessary in the advertisement to specify the contents of the memorandum, or the signatories thereto, and the number of shares subscribed for by them.

(3) This section shall not apply to a circular or notice inviting existing members or debenture holders of a company to subscribe either for shares or for debentures of the company, whether with or without the right to nominate in favour of other persons.

(4) The requirements of this section as to the memorandum and the qualification, remuneration and interest of directors, the names, descriptions and addresses of directors or proposed directors, and of managers or proposed managers, and the amount or estimated amount of preliminary expenses, shall not apply in the case of a prospectus issued more than one year after the date at which the company is entitled to commence business:

Provided that the said requirements, except the requirement as to the amount or estimated amount of preliminary expenses, shall apply to a prospectus filed in pursuance of section 164.

(5) Nothing in this section shall limit or diminish any liability which any person may incur under the general law or this Act apart from this section.
48  COMPANIES ACT [S. 94

94. For the purposes of section 93 every person shall be deemed to be a vendor who has entered into any contract, absolute or conditional, for the sale or purchase, or for any option of purchase, of any property to be acquired by the company, in any case where—

(a) the purchase-money is not fully paid at the date of issue of the prospectus; or

(b) the purchase-money is to be paid or satisfied wholly or in part out of the proceeds of the issue offered for subscription by the prospectus; or

(c) the contract depends for its validity or fulfilment on the result of that issue.

95. Where any of the property to be acquired by the company is to be taken on lease, section 93 shall apply as if the expression "vendor" included the lessor, and the expression "purchase-money" included the consideration for the lease, and the expression "sub-purchaser" included a sub-lessee.

96. (1) Any condition requiring or binding any applicant for shares or debentures to waive compliance with any requirements of section 93, or purporting to affect him with notice of any contract, document or matter not specifically referred to in the prospectus, shall be void.

(2) It shall not be lawful to issue any form of application for the shares in or debentures of a company unless the form is issued with a prospectus which complies with the requirements of section 93:

Provided that this sub-section shall not apply if it is shown that the form of application was issued either—

(a) in connection with a bona fide invitation to a person to enter into an underwriting agreement with respect to the shares or debentures; or

(b) in relation to shares or debentures which were not offered to the public.

If any person acts in contravention of the provisions of this sub-section, he shall be liable to a fine not exceeding five hundred rupees.

97. (1) If a prospectus is issued which does not comply with the provisions of section 93, every person who is knowingly responsible for the issue of such prospectus shall be liable to a fine not exceeding fifty rupees for every day from the day of the issue of the prospectus until a copy complying with the requirements of section 93 is filed.

(2) In the event of non-compliance with or contravention of any of the requirements of section 93, a director or other person responsible for the prospectus shall not incur any liability by reason of the non-compliance or contravention, if he proves that—

(a) as regards any matter not disclosed, he was not cognisant thereof; or
(b) the non-compliance or contravention arose from an honest mistake of fact on his part;
(c) the non-compliance or contravention was in respect of matters which in the opinion of the Court were immaterial, or was otherwise such as ought in the opinion of the Court having regard to all the circumstances of the case reasonably to be excused:

Provided that, in the event of non-compliance with or contravention of the requirements contained in clause (n) of sub-section (1) of section 93, no such director or other person shall incur any liability in respect of the non-compliance or contravention unless it be proved that he had knowledge of the matters not disclosed.

98. (1) A company which does not issue a prospectus in respect of its formation shall not allot any of its shares or debentures unless before the first allotment of either shares or debentures there has been filed with the registrar a statement in lieu of prospectus signed by every person who is named therein as a director or a proposed director of the company or by his agent authorised in writing, in the form and containing the particulars set out in the form marked I in the Second Schedule.

(2) This section shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Act or, in so far as it relates to the allotment of shares to a company limited by guarantee and not having a share capital.

98A. (1) Where a company allots or agrees to allot any shares in or debentures of the company with a view to all or any of those shares or debentures being offered for sale to the public, any document by which the offer for sale to the public is made shall for all purposes be deemed to be a prospectus issued by the company and all enactments and rules of law as to the contents of prospectuses and liability in respect of statements in and omissions from prospectuses or otherwise relating to prospectuses shall apply and have effect accordingly as if the shares or debentures had been offered to the public for subscription and as if persons accepting the offer in respect of any shares or debentures were subscribers for those shares or debentures but without prejudice to the liability, if any, of the persons by whom the offer is made in respect of mis-statements contained in the document or otherwise in respect thereof.

(2) For the purposes of this Act it shall, unless the contrary is proved, be evidence that an allotment of or an agreement to allot shares or debentures was made with a view to the allotment of shares or debentures being offered for sale to the public, if it is shown—

(a) that an offer of the shares or debentures or of any of them for sale to the public was made within six months after the allotment or agreement to allot; or

(b) that at the date when the offer was made the whole of the consideration to be received by the company in respect of the shares or debentures had not been so received.

(3) Section 97 shall apply to the person or persons making the offer as though they were persons named in a prospectus as directors of a company.
50  COMPANIES ACT  [S. 99

company, and the provisions of section 98 shall have effect as if it required a prospectus to state, in addition to the matters required by that section to be stated in a prospectus,—

(a) the net amount of the consideration received or to be received by the company in respect of the shares or debentures to which the offer relates, and

(b) the place and time at which the contract under which the said shares or debentures have been or are to be allotted may be inspected.

(4) Where a person making an offer to which this section relates is a company or a firm, it shall be sufficient if the document aforesaid is signed on behalf of the company or firm by all directors of the company or not less than half of the partners, as the case may be, and any such director or partner may sign by his agent authorised in writing.

Restriction on alteration of terms mentioned in prospectus or statement in lieu of prospectus.

99. A company shall not, at any time, vary the terms of a contract referred to in the prospectus or statement in lieu of prospectus, except subject to the approval of the company in general meeting.

100. (1) Where a prospectus invites persons to subscribe for shares in or debentures of a company, every person who is a director of the company at the time of the issue of the prospectus, and every person who has authorised the naming of himself and his name in the prospectus as a director or as having agreed to become a director either immediately or after an interval of time, and every promoter of the company, and every person who has authorised the issue of the prospectus shall be liable to pay compensation to all persons who subscribe for any shares or debentures on the faith of the prospectus for all loss or damage they may have sustained by, reason of any misleading or untrue statement in the prospectus, or in any report or memorandum appearing on the face thereof, or by reference incorporated therein or issued therewith, unless it is proved—

(a) with respect to every misleading or untrue statement not purporting to be made on the authority of an expert or of a public official document or statement, that he had reasonable ground to believe and did up to the time of the allotment of the shares or debentures, as the case may be, believe that the statement fairly represented the facts or was true;

(b) with respect to every misleading or untrue statement purporting to be a statement by or contained in what purports to be a copy of or extract from a report or valuation of an expert, that it fairly represented the statements, or was a correct and fair copy or extract from the report or valuation: Provided that the director, person named as director, promoter or person who authorised the issue of the prospectus shall be liable to pay compensation as aforesaid if it is proved that he had no reasonable ground to believe that the person making the statement, report or valuation was competent to make it; and

(c) with respect to every misleading or untrue statement purporting to be a statement made by an official person or contained in
what purports to be a copy of or extract from a public official document, that it was a correct and fair representation of the
statement or copy of or extract from the document:

or unless it is proved—

(i) that having consented to become a director of the company
he withdrew his consent before the issue of the prospectus,
and that it was issued without his authority or consent; or

(ii) that the prospectus was issued without his knowledge or con­
sent, and that on becoming aware of its issue, he forthwith
gave a reasonable public notice that it was issued without
his knowledge or consent; or

(iii) that, after the issue of the prospectus before allotment there­
under, he, on becoming aware of any misleading or untrue
statement therein, withdrew his consent thereto, and gave
reasonable public notice of the withdrawal, and of the
reason therefor.

(2) Where a company existing at the commencement of this Act
has issued shares or debentures, and for the purpose of obtaining further capital
by subscription for shares or debentures issues a prospectus, a director shall
not be liable in respect of any statement therein unless he has authorised
the issue of the prospectus, or has adopted or ratified it.

(3) Where the prospectus contains the name of a person as a director
of the company, or as having agreed to become a director thereof, and he
has not consented to become a director, or has withdrawn his consent before
the issue of the prospectus, and has not authorised or consented to the issue
thereof, the directors of the company, except any without whose knowledge
or consent the prospectus was issued, and any other person who authorised
the issue thereof, shall be liable to indemnify the person named as aforesaid
against all damages, costs and all expenses to which he may be made liable by
reason of his name having been inserted in the prospectus, or in defending
himself against any suit or legal proceedings brought against him in respect
thereof.

(4) Every person who, by reason of his being a director or named as
a director, or as having agreed to become a director, or of his having autho­
rised the issue of the prospectus, becomes liable to make any payment under
this section, may recover contribution, as in cases of contracts, from any
other person who, if sued separately, would have been liable to make the
same payment, unless the person who has become so liable was, and that
other person was not, guilty of fraudulent misrepresentation.

(5) For the purposes of this section—

(e) the expression "promoter" means a promoter who was a party
to the preparation of the prospectus, or the portion thereof
containing the misleading or untrue statement, but does not
include any person by reason of his acting in a professional
capacity for persons engaged in procuring the formation of
the company;

(b) the expression "expert" includes engineers, valuers, accountants
and any other person whose profession gives authority to a
statement made by him.
101. (1) No allotment shall be made of any share capital of a company offered to the public for subscription unless the amount allocated as stated in the prospectus as the minimum amount which in the opinion of the directors must be raised by the issue of share capital in order to provide the sums or, if any part thereof is to be defrayed in any other manner, the balance of the sum required to be provided in respect of the matters specified in sub-section (2) has been subscribed, and the sum of at least five per cent thereof has been paid to or received in cash by the company.

(2) The matters for which provision for the raising of a minimum amount of share capital must be made by the directors are the following, namely:

(a) the purchase price of any property purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the issue,
(b) any preliminary expenses payable by the company and any commission so payable to any person in consideration of his agreeing to subscribe for or of his procuring or agreeing to procure subscriptions for any shares in the company,
(c) the repayment of any moneys borrowed by the company in respect of any of the foregoing matters, and
(d) working capital.

(2A) The amount referred to in sub-section (1) as the amount stated in the prospectus shall be reckoned exclusively of any amount payable otherwise than in cash and is in this Act referred to as the minimum subscription.

(2B) All moneys received from applicants for shares shall be deposited and kept in a scheduled bank as defined in the Reserve Bank of India Act, 1934, until returned in accordance with the provisions of sub-section (4) or until the certificate to commence business is obtained under section 103.

(2C) In the event of any contravention of the provisions of sub-section (2B) every promoter, director or other person knowingly responsible for such contravention shall be liable to a fine not exceeding five hundred rupees.

(3) The amount payable on application on each share shall not be less than five per cent of the nominal amount of the share.

(4) If the conditions aforesaid have not been complied with on the expiration of one hundred and eighty days after the first issue of the prospectus, all money received from applicants for shares shall be forthwith repaid to them without interest, and, if any such money is not so repaid within one hundred and ninety days after the issue of the prospectus, the directors of the company shall be jointly and severally liable to repay that money with interest at the rate of seven per cent, per annum from the expiration of the one hundred and ninetieth day: Provided that a director shall not be liable if he proves that the loss of the money was not due to any misconduct or negligence on his part.

(5) Any condition requiring or binding any applicant for shares to waive compliance with any requirement of this section shall be void.

(6) This section, except sub-section (3) thereof, shall not apply to any allotment of shares subsequent to the first allotment of shares offered to the public for subscription.
(7) In the case of the first allotment of share capital payable in cash of a company which does not issue any invitation to the public to subscribe for its shares, no allotment shall be made unless the minimum subscription (that is to say)—

(a) the amount (if any) fixed by the memorandum or articles and named in the statement in lieu of prospectus as the minimum subscription upon which the directors may proceed to allotment; or

(b) if no amount is so fixed and named, the whole amount of the share capital other than that issued or agreed to be issued as fully or partly paid up otherwise than in cash;

has been subscribed and an amount not less than five per cent of the nominal amount of each share payable in cash has been paid to and received by the company.

(8) Sub-section (7) shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Act.

102. (1) An allotment made by a company to an applicant in contravention of the provisions of section 101 shall be voidable at the instance of the applicant within one month after the holding of the statutory meeting of the company and not later, or in any case where the company is not required to hold a statutory meeting or where the allotment is made after the holding of the statutory meeting within one month after the date of the allotment and not later, and shall be so voidable notwithstanding that the company is in course of being wound up.

(2) If any director of a company knowingly contravenes or permits or authorises the contravention of any of the provisions of section 101 with respect to allotment, he shall be liable to compensate the company and the allottee respectively for any loss, damages or costs which the company or the allottee may have sustained or incurred thereby: Provided that proceedings to recover any such loss, damages or costs shall not be commenced after the expiration of two years from the date of the contravention.

103. (1) A company shall not commence any business or exercise any borrowing powers unless—

(a) shares held subject to the payment of the whole amount thereof in cash have been allotted to an amount not less in the whole than the minimum subscription; and

(b) every director of the company has paid to the company on each of the shares taken or contracted to be taken by him, and for which he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares offered for public subscription or, in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, on the shares payable in cash; and

(c) there has been filed with the registrar a duly verified declaration by the secretary or one of the directors, in the prescribed form, that the aforesaid conditions have been complied with; and
COMPANIES ACT [S. 104

(d) in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, there has been filed with the registrar a statement in lieu of prospectus.

(2) The registrar shall, on the filing of a duly verified declaration, in accordance with the provisions of this section certify that the company is entitled to commence business, and that certificate shall be conclusive evidence that the company is so entitled.

Provided that, in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, the registrar shall not give such a certificate unless a statement in lieu of prospectus has been filed with him.

(3) Any contract made by a company before the date at which it is entitled to commence business shall be provisional only, and shall not be binding on the company until that date, and on that date it shall become binding.

(4) Nothing in this section shall prevent the simultaneous offer for subscription or allotment of any shares and debentures or the receipt of any money payable on application for debentures.

(5) If any company commences business or exercises borrowing powers in contravention of this section, every person who is responsible for the contravention shall, without prejudice to any other liability, be liable to a fine not exceeding five hundred rupees for every day during which the contravention continues.

(6) Nothing in this section shall apply to a private company, or to a company registered before the commencement of this Act which does not issue a prospectus inviting the public to subscribe for its shares or, in so far as its provisions relate to shares, to a company limited by guarantee and not having a share capital.

104. (1) Whenever a company having a share capital makes any allotment of its shares, the company shall, within one month thereafter,—

(a) file with the registrar a return of the allotments, stating the number and nominal amount of the shares comprised in the allotment, the names, addresses and descriptions of the allottees, and the amount (if any) paid or due and payable on each share; and

(b) in the case of shares allotted as fully or partly paid up otherwise than in cash, produce for the inspection and examination of the registrar a contract in writing constituting the title of the allottees to the allotment together with any contract of sale, or for services or other consideration in respect of which that allotment was made, such contracts being duly stamped, and file with the registrar copies verified in the prescribed manner of all such contracts and a return stating the number and nominal amount of shares so allotted, the extent to which they are to be treated as paid up, and the consideration for which they have been allotted.

(2) Where such a contract as above-mentioned is not reduced to writing, the company shall, within one month after the allotment, file with
the registrar the prescribed particulars of the contract stamped with the same stamp-duty as would have been payable if the contract had been reduced to writing, and these particulars shall be deemed to be an instrument within the meaning of the Indian Stamp Act, 1899, and the registrar may, as a condition of filing the particulars, require that the duty payable thereon be adjudicated under section 31 of that Act.

(3) If default is made in complying with the requirements of this section, every officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding five hundred rupees for every day during which the default continues:

Provided that, in case of default in filing with the registrar within one month after the allotment of any document required to be filed by this section, the company, or any person liable for the default, may apply to the Court for relief, and the Court, if satisfied that the omission to file the document was accidental or due to inadvertence or that on other grounds it is just and equitable to grant relief, may make an order extending the time for the filing of the document for such a period as the Court may think proper.

(4) Nothing in this section shall apply to the issue and allotment by a company of shares which under the provisions of its articles were forfeited for non-payment of calls.

Commissions and Discounts.

105. (1) It shall be lawful for a company to pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any commissions and shares in the Company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, if the payment of the commission is authorised by the articles and the commission paid or agreed to be paid does not exceed the amount or rate so authorised and if the amount or rate per cent. of the commission paid or agreed to be paid is—

(a) in the case of shares offered to the public for subscription, disclosed in the prospectus; or
(b) in the case of shares not offered to the public for subscription, disclosed in the statement in lieu of prospectus, or in a statement in lieu of prospectus and filed with the registrar and, where a circular or notice, not being a prospectus inviting subscription for the shares is issued, also disclosed in that circular or notice.

(2) Save as aforesaid and save as provided in section 105A, no company shall apply any of its shares or capital money, directly or indirectly in payment of any commission, discount or allowance, to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, whether the shares or money be so applied by being added to the purchase-money of any property acquired by the company or to the contract price of any work to be executed for the company, or the money be paid out of the nominal purchase-money or contract price, or otherwise.
Nothing in this section shall affect the power of any company to pay such brokerage as it has heretofore been lawful for a company to pay, and a vendor to, promoter of, or other person who receives payment in money or shares from, a company shall have and shall be deemed always to have had power to apply any part of the money or shares so received in payment of any commission, the payment of which, if made directly by the company, would have been legal under this section.

105A. (1) Subject to the provisions of this section, it shall be lawful for a company to issue at a discount shares in the company of a class already issued:

Provided that—
(a) the issue of the shares at a discount must be authorised by resolution passed in general meeting of the company and must be sanctioned by the Court;
(b) the resolution must specify the maximum rate of discount (not exceeding ten per cent, in any case) at which shares are to be issued;
(c) not less than one year must have elapsed since the date on which the company was entitled to commence business;
(d) the shares to be issued at a discount must be issued within six months after the date on which the issue is sanctioned by the Court or within such extended time as the Court may allow.

(2) Every prospectus relating to the issue of the shares and every balance-sheet issued by the company subsequently to the issue of the shares or of so much of that discount as has not been written off at the date of the issue of the document in question, must contain particulars of the discount allowed on the issue of the shares or of so much of that discount as has not been written off at the date of the issue of the document in question.

(3) If default is made in complying with sub-section (3), the company and every officer of the company who is in default shall be liable to a fine not exceeding fifty rupees.

105B. (1) Subject to the provisions of this section, a company limited by shares may, if so authorised by its articles, issue preference shares which are, or at the option of the company are to be, liable to be redeemed:

Provided that—
(a) no such shares shall be redeemed except out of profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption or out of sale proceeds of any property of the company;
(b) no such shares shall be redeemed unless they are fully paid;
(c) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend be transferred to a reserve fund, to be called "the capital redemption reserve fund", a sum equal to the amount applied in redeeming the shares, and the provisions of this Act relating to the redemption of the shares
capital of a company shall, except as provided in this section, apply as if the capital redemption reserve fund were paid-up share capital of the company;

(d) where any such shares are redeemed out of the proceeds of a fresh issue, the premium, if any, payable on redemption must have been provided for out of the profits of the company before the shares are redeemed.

(2) There shall be included in every balance-sheet of a company which has issued redeemable preference shares a statement specifying what part of the issued capital of the company consists of such shares and the date on or before which those shares are, or are to be, liable to be redeemed or, where no definite date is fixed for redemption, the period of notice to be given for redemption.

If a company fails to comply with the provisions of this sub-section, the company and every officer of the company who is in default shall be liable to a fine not exceeding one thousand rupees.

(3) Subject to the provisions of this section, the redemption of preference shares thereunder may be effected on such terms and in such manner as may be provided by the articles of the company.

(4) Where in pursuance of this section a company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued, and accordingly the share capital of the company shall not for the purpose of calculating the fees payable under section 219 be deemed to be increased by the issue of shares in pursuance of this sub-section:

Provided that, where new shares are issued before the redemption of the old shares, the new shares shall not, so far as relates to stamp duty, be deemed to have been issued in pursuance of this sub-section unless the old shares are redeemed within one month after the issue of the new shares.

(5) Where new shares have been issued in pursuance of the last foregoing sub-section, the capital redemption reserve fund may, notwithstanding anything in this section, be applied by the company, up to an amount equal to the nominal amount of the shares so issued, in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares.

105C. Where the directors decide to increase the capital of the company by the issue of further shares such shares shall be offered to the members in proportion to the existing shares held by each member (irrespective of class) and such offer shall be made by notice specifying the number of shares to which the member is entitled, and limiting a time within which the offer, if not accepted, will be deemed to be declined; and after the expiration of such time, or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company.
106. Where a company has paid any sums by way of commission in respect of any shares or debentures or allowed any sums by way of discount in respect of any debentures, the total amount so paid or allowed or so much thereof as has not been written off, shall be stated in every balance-sheet of the company until the whole amount thereof has been written off.

Payment of Interest out of Capital.

107. Where any shares of a company are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant which cannot be made profitable for a lengthy period, the company may pay interest on so much of that share capital as is for the time being paid up for the period and subject to the conditions and restrictions in this section mentioned, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant:

Provided that—

(1) no such payment shall be made unless the same is authorised by the articles or by special resolution;

(2) no such payment, whether authorised by the articles or by special resolution, shall be made without the previous sanction of the Local Government, which sanction shall be conclusive evidence for the purposes of this section that the shares of the company, in respect of which such sanction is given, have been issued for a purpose specified in this section;

(3) before sanctioning any such payment, the Local Government may, at the expense of the company, appoint a person to inquire and report to such Local Government as to the circumstances of the case, and may, before making the appointment, require the company to give security for the payment of the costs of the inquiry;

(4) the payment shall be made only for such period as may be determined by the Local Government; and such period shall in no case extend beyond the close of the half-year next after the half-year during which the work or building have been actually completed or the plant provided;

(5) the rate of interest shall in no case exceed four per cent. per annum or such lower rate as the Governor General in Council may, by notification in the Gazette of India, prescribe;

(6) the payment of the interest shall not operate as a reduction of the amount paid up on the shares in respect of which it is paid;

(7) the accounts of the company shall show the share capital on which, and the rate at which, interest has been paid out of capital during the period to which the accounts relate;

(8) nothing in this section shall affect any company to which the Indian Railway Companies Act, 1895, or the Indian Tramways Act, 1902, applies.

Certificates of Shares, etc.

108. (1) Every company shall, within three months after the allotment of any of its shares, debentures or debenture stock, and within three months after the registration of the transfer of any such shares, debentures or debenture stock, complete and have ready for delivery the certificates of
all shares, debentures, and the certificates of all debenture stock allotted or transferred, unless the conditions of issue of the shares, debentures or debenture stock otherwise provide.

(2) If default is made in complying with the requirements of this section, the company, and every officer of the company who is knowingly a party to the default, shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

Information as to Mortgages, Charges, etc.

Certain mortgages and charges to be void if not registered.

109. (1) Every mortgage or charge created after the commencement of this Act by a company and being either—
   (a) a mortgage or charge for the purpose of securing any issue of debentures; or
   (b) a mortgage or charge on uncalled share capital of the company; or
   (c) a mortgage or charge on any immovable property wherever situate, or any interest therein; or
   (d) a mortgage or charge on any book debts of the company; or
   (e) a mortgage or charge, not being a pledge on any moveable property of the company except stock-in-trade; or
   (f) a floating charge on the undertaking or property of the company;

shall, so far as any security on the company's property or undertaking is thereby conferred, be void against the liquidator and any creditor of the company, unless the prescribed particulars of the mortgage or charge, together with the instrument (if any) by which the mortgage or charge is created or evidenced, or a copy thereof verified in the prescribed manner are filed with the registrar for registration in manner required by this Act within twenty-one days after the date of its creation, but without prejudice to any contract or obligation for repayment of the money thereby secured, and when a mortgage or charge becomes void under this section, the money secured thereby shall immediately become payable:

Provided that—

(i) in the case of a mortgage or charge created out of British India, comprising solely property situate outside British India, twenty-one days after the date on which the instrument or copy could, in the course of post, and if despatched with due diligence, have been received in British India shall be substituted for twenty-one days after the date of the creation of the mortgage or charge, as the time within which the particulars and instrument or copy are to be filed with the registrar; and

(ii) where the mortgage or charge is created in British India but comprises property outside British India, the instrument creating or purporting to create the mortgage or charge or a copy thereof verified in the prescribed manner may be filed for registration notwithstanding that further proceedings may
be necessary to make the mortgage or charge valid or effectual according to the law of the country in which the property is situate; and

(iii) where a negotiable instrument has been given to secure the payment of any book debts of a company, the deposit of the instrument for the purpose of securing an advance to the company shall not for the purposes of this section be treated as a mortgage or charge on those book debts; and

(iv) the holding of debentures entitling the holder to a charge on immovable property shall not be deemed to be an interest in immovable property.

Where any mortgage or charge on any property of a company required to be registered under this section has been so registered, any person acquiring such property or any part thereof, or any share or interest therein, shall be deemed to have notice of the said mortgage or charge as from the date of such registration.

109A. (1) Where after the commencement of the Indian Companies (Amendment) Act, 1936, a company registered in British India acquires any property which is subject to a charge of any such kind as would, if it had been created by the company after the acquisition of the property, have been required to be registered under this Part, the company shall cause the prescribed particulars of the charge, together with a copy (certified in the prescribed manner to be a correct copy) of the instrument, if any, by which the charge was created or is evidenced, to be delivered to the registrar for registration in manner required by this Act within twenty-one days after the date on which the acquisition is completed:

Provided that, if the property is situate and the charge was created outside British India, twenty-one days after the date on which the copy of the instrument could in due course of post, and if despatched with due diligence, have been received in British India shall be substituted for twenty-one days after the completion of the acquisition as the time within which the particulars and the copy of the instrument are to be delivered to the registrar.

(2) If default is made in complying with this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine of five hundred rupees.

110. Where a series of debentures containing, or giving by reference to any instrument, any charge to the benefit of which the debenture-holders of that series are entitled pari passu is created by a company, it shall be sufficient for the purposes of section 109 if there are filed with the registrar within twenty-one days after the execution of the deed containing the charge or, if there is no such deed, after the execution of any debentures of the series, the following particulars:

(a) the total amount secured by the whole series; and

(b) the dates of the resolution authorising the issue of the series and the date of the covering deed (if any) by which the security is created or defined; and
S. 114 | ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936)

(c) a general description of the property charged; and

(d) the names of the trustees (if any) for the debenture-holders;

together with the deed or a copy thereof verified in the prescribed manner
containing the charge, or if there is no such deed, one of the debentures of
the series, and the registrar shall, on payment of the prescribed fee, enter
those particulars in the register:

Provided that, where more than one issue is made of debentures in the
series, there shall be filed with the registrar for entry in the register partic­
ulars of the date and amount of each issue, but an omission to do this shall
not affect the validity of the debentures issued.

111. Where any commission, allowance or discount has been paid or
made either directly or indirectly by the company to any
person in consideration of his subscribing or agreeing to
subscribe, whether absolutely or conditionally, for any
debentures of the company, or procuring or agreeing to
procure subscriptions, whether absolute or conditional, for any such deben­
tures, the particulars required to be filed for registration under sections 109
and 110 shall include particulars as to the amount or rate per cent. of the
commission, discount or allowance so paid or made, but an omission to do
this shall not affect the validity of the debentures issued:

Provided that the deposit of any debentures as security for any debt of
the company shall not for the purposes of this provision be treated as the
issue of the debentures at a discount.

112. (1) The registrar shall keep, with respect to each company, a
register in the prescribed form of all mortgages and
charges created by the company after the commencement
of this Act and requiring registration under section 109,
and shall, on payment of the prescribed fee, enter in the register, with
respect to every such mortgage or charge, the date of creation, the amount
secured by it, short particulars of the property mortgaged or charged, and
the names of the mortgagees or persons entitled to the charge.

(2) After making the entry required by sub-section (1), the registrar
shall return the instrument (if any) or the verified copy thereof, as the case
may be, filed in accordance with the provisions of section 109 or section 110
to the person filing the same.

(3) The register kept in pursuance of this section shall be open to
inspection by any person on payment of the prescribed fee, not exceeding one
rupee for each inspection.

Index to register of mortgages and charges.

113. The registrar shall keep a chronological index,
in the prescribed form, with the prescribed partic­
ulars, of the mortgages or charges registered with him
under this Act.

114. The registrar shall give a certificate under his hand of the registra­
tion of any mortgage or charge registered in pursuance
of section 109, stating the amount thereby secured, and
the certificate shall be conclusive evidence that the
requirements of sections 109 to 112 as to registration have been complied
with.
The company shall cause a copy of every certificate of registration, given under section 114, to be endorsed on every debenture or certificate of debenture stock which is issued by the company, and the payment of which is secured by the mortgage or charge so registered.

Provided that nothing in this section shall be construed as requiring a company to cause a certificate of registration of any mortgage or charge so given to be endorsed on any debenture or certificate of debenture stock which has been issued by the company before the mortgage or charge was created.

116. (1) It shall be the duty of the company to file with the registrar for registration the prescribed particulars of every mortgage or charge created by the company and of the issues of debentures of a series, requiring registration under section 109, but registration of any such mortgage or charge may be effected on the application of any person interested therein.

Provided that where the registration is effected on the application of some person other than the company, the amount of any fees properly paid by him to the registrar on the registration shall be recoverable from the company.

(2) Where the registration is effected on the application of some person other than the company, that person shall be entitled to recover from the company the amount of any fees properly paid by him to the registrar on the registration.

(3) Whenever the terms or conditions or extent or operation of any mortgage or charge registered under this section are modified, it shall be the duty of the company to send to the registrar the particulars of such modification, and the provisions of this section as to registration of mortgage or a charge shall apply to such modification of the mortgage or charge as aforesaid.

117. Every company shall cause a copy of every instrument creating any mortgage or charge requiring registration under section 109 to be kept at the registered office of the company. Provided that, in the case of a series of uniform debentures, a copy of one such debenture shall be sufficient.

118. (1) If any person obtains an order for the appointment of a receiver of the property of a company, or appoints such a receiver under any powers contained in any instrument, he shall, within fifteen days from the date of the order or of the appointment under the powers contained in the instrument, file notice of the fact with the registrar, and the registrar shall, on payment of the prescribed fee, enter the fact in the register of mortgages and charges.

(2) If any person makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

119. (1) Every receiver of the property of a company who has been appointed under the powers contained in any instrument, and who has taken possession, shall once in every half-year while he remains in possession, and also on ceasing to act as receiver, file with the registrar an abstract in the prescribed form of
his receipts and payments during the period to which the abstract relates, and shall also, on ceasing to act as receiver, file with the registrar notice to that effect, and the registrar shall enter the notice in the register of mortgages and charges.

(2) Where a receiver of the property of a company has been appointed, every invoice, order for goods, or business letter issued by or on behalf of the company, or the receiver of the company, being a document on or in which the name of the company appears, shall contain a statement that a receiver has been appointed.

(3) If default is made in complying with the requirements of this section, the company and every director, manager, managing agent, secretary or other officer of the company and every receiver who knowingly and wilfully authorises or permits the default, shall be liable to a fine not exceeding two hundred rupees.

120. (1) The Court, on being satisfied that the omission to register a mortgage or charge within the time required by section two hundred rupees.

121. (1) It shall be the duty of the company to give intimation to the registrar of the payment or satisfaction of any charge or mortgage created by the company and requiring registration under section two hundred days from the date of the payment or satisfaction thereof.

(3) The registrar shall, if no cause is shown, order that a memorandum of satisfaction be entered on the register and shall if required furnish the company with a copy thereof.

(4) Where cause is shown, the registrar shall record a note to that effect in the register, and shall inform the company that he has done so.
COMPANIES ACT [S. 122]

Finality.

122. (1) If any company makes default in filing with the registrar for registration the particulars—
(a) of any mortgage or charge created by the company; or
(b) of the payment or satisfaction of a debt in respect of which a mortgage or charge has been registered under section 109 or section 109A; or
(c) of the issues of debentures of a series, requiring registration with the registrar under the foregoing provisions of this Act, then, unless the registration has been effected on the application of some other person, the company, and every officer of the company or other person who is knowingly a party to the default, shall on conviction be liable to a fine not exceeding five hundred rupees for every day during which the default continues.

(2) Subject as aforesaid, if any company makes default in complying with any of the requirements of this Act as to the registration with the registrar of any mortgage or charge created by the company, the company, and every officer of the company, who knowingly and wilfully authorises or permits the default to be made, without prejudice to any other liability, shall on conviction be liable to a fine not exceeding one thousand rupees.

(3) If any person knowingly and wilfully authorises or permits the delivery of any debenture or certificate of debenture stock requiring registration with the registrar under the foregoing provisions of this Act without a copy of the certificate of registration being endorsed upon it, he shall, without prejudice to any other liability, be liable on conviction to a fine not exceeding one thousand rupees.

123. (1) Every company shall keep a register of mortgages and enter therein all mortgages and charges specifically affecting the company's property of the company and all floating charges on the undertaking or on any property of the company, giving in each case a short description of the property mortgaged or charged, the amount of the mortgage or charge and (except in the case of securities to bearer) the names of the mortgagees or persons entitled thereto.

(2) If any director, manager or other officer of the company knowingly and wilfully authorises or permits the omission of any entry required to be made in pursuance of this section, he shall be liable to a fine not exceeding five hundred rupees.

124. (1) The copies kept at the registered office of the company in pursuance of section 117 of instruments creating any mortgage or charge requiring registration under this Act with the registrar, and the register of mortgages kept in pursuance of section 123, shall be open at all reasonable times to the inspection of any creditor or member of the company without fee, and the register of mortgages shall also be open to the inspection of any other person on payment of such fee, not exceeding one rupee for each inspection, as the company may prescribe.

(2) If inspection of the said copies or register is refused, the company shall be liable to a fine not exceeding fifty rupees and a further fine not exceeding twenty rupees for every day during which the refusal continues, and every
S. 127] ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936) 65

Every officer of the company who knowingly authorises or permits the refusal shall incur the like penalty, and in addition to the above penalty, the Court may by order compel an immediate inspection of the copies or register.

125. (1) Every register of holders of debentures of a company shall, except when closed in accordance with the articles during such period or periods (not exceeding in the whole thirty days in any year) as may be specified in the articles, be open to the inspection of the registered holder of any such debentures, and of any holder of shares in the company, but subject to such reasonable restrictions as the company may in general meeting impose, so that at least two hours in each day are appointed for inspection, and every such holder may require a copy of the register or any part thereof on payment of six annas for every one hundred words or fractional part thereof required to be copied.

(2) A copy of any trust-deed for securing any issue of debentures shall be forwarded to every holder of any such debentures at his request on payment in the case of a printed trust-deed of the sum of one rupee or such less sum as may be prescribed by the company, or, where the trust-deed has not been printed, on payment of six annas for every one hundred words or fractional part thereof required to be copied.

(3) If inspection is refused, or a copy is refused or not forwarded, the company shall be liable to a fine not exceeding fifty rupees, and to a further fine not exceeding twenty rupees for every day during which the refusal continues, and every officer of the company who knowingly authorises or permits the refusal shall incur the like penalty, and the Court may by order compel an immediate inspection of the register.

Debentures and Floating Charges.

126. A condition contained in any debentures or in any deed for securing any debentures, whether issued or executed before or after the passing of this Act, shall not be invalid by reason only that thereby the debentures are made irredeemable or redeemable only on the happening of a contingency, however remote, or on the expiration of a period however long.

127. (1) Where either before or after the commencement of this Act a company has redeemed any debentures previously issued, the company, unless the articles or the conditions of redeemed debentures in certain cases, have been redeemed in pursuance of any obligation on the company to do (not being an obligation enforceable only by the person to whom the redeemed debentures were issued or his assigns), shall have power, and shall be deemed always to have had power, to keep the debentures alive for the purposes of re-issue, and where a company has purported to exercise such a power the company shall have power, and shall be deemed always to have had power, to re-issue the debentures either by re-issuing the same debentures or by issuing other debentures in their place, and upon such re-issue the person entitled to the debentures shall have, and shall be deemed always to have had, the same rights and priorities as if the debentures had not previously been issued.
(2) Where the object of keeping debentures alive for the purpose of re-issue they have, either before or after the commencement of this Act, been transferred to a nominee of the company, a transfer from that nominee shall be deemed to be a re-issue for the purposes of this section.

(3) Where a company has, either before or after the commencement of this Act, deposited any of its debentures to secure advances from time to time on current account or otherwise, the debentures shall not be deemed to have been redeemed by reason only of the account of the company having ceased to be in debit whilst the debentures remained so deposited.

(4) The re-issue of a debenture or the issue of another debenture in its place under the power by this section given to, or deemed to have been possessed by, a company, whether the re-issue or issue was made before or after the commencement of this Act, shall be treated as the issue of a new debenture for the purposes of stamp-duty, but it shall not be so treated for the purposes of any provision limiting the amount or number of debentures to be issued:

Provided that any person lending money on the security of a debenture re-issued under this section which appears to be duly stamped may give the debenture in evidence in any proceedings for enforcing his security without payment of the stamp-duty or any penalty in respect thereof, unless he had notice or, but for his negligence, might have discovered, that the debenture was not duly stamped, but in any such case the company shall be liable to pay the proper stamp-duty and penalty.

(5) Nothing in this section shall prejudice—

(c) the operation of any decree or order of a Court of competent jurisdiction pronounced or made before the twenty-fifth day of February, 1910, as between the parties to the proceedings in which the decree or order was made, and any appeal from any such decree or order shall be decided as if this Act had not been passed; or

(b) any power to issue debentures in the place of any debentures paid off or otherwise satisfied or extinguished, reserved to a company by its debentures or the securities for the same.

Specific performance. 128. A contract with a company to take up and subscribe for debentures may be enforced by a decree for specific performance.

129. (1) Where either a receiver is appointed on behalf of the holders of any debentures of a company secured by a floating charge, or possession is taken by or on behalf of those debenture-holders of any property comprised in or subject to the charge, then, if the company is not at the time in course of being wound up, the debts which in every winding up are under the provisions of Part V relating to preferential payments to be paid in priority to all other debts, shall be paid forthwith out of any assets coming to the hands of the receiver or other person taking possession as aforesaid in priority to any claim for principal or interest in respect of the debentures.

(2) The periods of time mentioned in the said provisions of Part V shall be reckoned from the date of the appointment of the receiver or of possession being taken as aforesaid, as the case may be.
(3) Any payments made under this section shall be recouped, as far as may be, out of the assets of the company available for payment of general creditors.

Statements, Books and Accounts.

129. (1) Every company shall cause to be kept proper books of account with respect to—
(a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure take place;
(b) all sales and purchases of goods by the company;
(c) the assets and liabilities of the company.

(2) The books of account shall be kept at the registered office of the company or at such other place as the directors think fit, and shall be open to inspection by the directors during business hours.

(3) In the case of a company managed by a managing agent the managing agent, or where the managing agent is a firm or company, the partner or director of such firm or company and in any other case the director or directors who have knowingly by their act or omission been the cause of any default by the company in complying with the requirements of this section, shall in respect of such offence be liable to a fine not exceeding one thousand rupees.

131. (1) The directors of every company shall at some date not later than eighteen months after the incorporation of the company and subsequently once at least in every calendar year lay before the company in general meeting a balance-sheet and profit and loss account or in the case of a company not trading for profit an income and expenditure account for the period, in the case of the first account since the incorporation of the company and in any other case since the preceding account, made up to a date not earlier than the date of the meeting by more than nine months or in the case of a company carrying on business or having interests outside British India by more than twelve months:

Provided that the registrar may for any special reason extend the period by a period not exceeding three months.

(2) The balance-sheet and the profit and loss account or income and expenditure account shall be audited by the auditor of the company as hereinafter provided, and the auditor's report shall be attached thereto, or there shall be inserted at the foot thereof a reference to the report, and the report shall be read before the company in general meeting and shall be open to inspection by any member of the company.

(3) Every company other than a private company shall send a copy of such balance-sheet and profit and loss account or income and expenditure account as audited together with a copy of the auditor's report to the registered address of every member of the company at least fourteen days before the meeting at which it is to be laid before the members of the company, and shall deposit a copy at the registered office of the company for the inspection of the members of the company during a period of at least fourteen days before that meeting.
131A. (1) The directors shall make out and attach to every balance-sheet a report with respect to the state of the company's affairs, the amount, if any, which they recommend should be paid by way of dividend and the amount, if any, which they propose to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically on the balance-sheet or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in a subsequent balance-sheet.

(2) The report referred to in sub-section (1) may be signed by the chairman of the directors on behalf of the directors if authorised in that behalf by the directors.

(3) The provisions of sub-section (2) of section 130 shall apply to any person being a director who is knowingly and wilfully guilty of a default in complying with this section.

122. (1) The balance-sheet shall contain a summary of the property and assets and of the capital and liabilities of the company giving such particulars as will disclose the general nature of those liabilities and assets and how the value of the fixed assets has been arrived at.

(2) The balance-sheet shall be in the form marked P in the Third Schedule or as near thereto as circumstances admit.

(3) The profit and loss account shall include particulars showing the total of the amount paid whether as fees, percentages or otherwise to the managing agent, if any, and the directors respectively as remuneration for their services and, where a special resolution passed by the members of the company so requires, to the manager, and the total of the amount written off for depreciation. If any director of the company is by virtue of the nomination, whether direct or indirect, of the company a director of any other company, any remuneration or other emoluments received by him for his own use, whether as a director of, or otherwise in connection with the management of, that other company, shall be shown in a note at the foot of the account or in a statement attached thereto.

132A. (1) Where a company, in this Act referred to as the holding company, holds shares, either directly or through a nominee, in a subsidiary company or in two or more subsidiary companies, there shall be annexed to the balance-sheet of the holding company the last audited balance-sheet, profit and loss account and auditors' report of the subsidiary company or companies, and a statement signed by the persons by whom, in pursuance of section 133, the balance-sheet of the holding company is signed stating how the profits and losses of the subsidiary company, or, where there are two or more subsidiary companies, the aggregate profits and losses of those companies, have been dealt with in or for the purposes of the accounts of the holding company, and in particular how and to what extent—

(a) provision has been made for the losses of a subsidiary company either in the accounts of that company or of the holding company or of both, and

(b) losses of a subsidiary company have been taken into account by the directors of the holding company in arriving at the profits and losses of the company as disclosed in its accounts:
Provided that it shall not be necessary to specify in any such statement the actual amount of the profits or losses of any subsidiary company or the actual amount of any part of any such profits or losses which has been dealt with in any particular manner:

Provided further that for the purposes of this section an investment company, that is to say, a company whose principal business is the acquisition and holding of shares, stocks, debentures or other securities, shall not be deemed to be a holding company by reason only that part of its assets consists in 51 per cent. or more of the shares of another company.

(2) If, in the case of a subsidiary company, the auditors' report on the balance-sheet of the company does not state without qualification that the auditors have obtained all the information and explanations they have required and that the balance-sheet is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them and as shown by the books of the company, the statement, which is to be annexed as aforesaid to the balance-sheet of the holding company, shall contain particulars of the manner in which the report is qualified.

(3) For the purposes of this section the profits or losses of a subsidiary company mean the profits or losses shown in any accounts of the subsidiary company made up to a date within the period to which the accounts of the holding company relate, or, if there are no such accounts of the subsidiary company available at the time when the accounts of the holding company are made up, the profits or losses shown in the last previous accounts of the subsidiary company which became available within that period.

(4) If for any reason the directors of the holding company are unable to obtain such information as is necessary for the preparation of the statement aforesaid, the directors who sign the balance-sheet shall so report in writing and their report shall be annexed to the balance-sheet in lieu of the statement.

(5) The holding company may by a resolution authorise representatives named in the resolution to inspect the books of account kept in accordance with section 130 by any subsidiary company, and on such resolution being passed those books of account shall be open to inspection by those representatives at any time during business hours.

(6) The rights conferred by section 138 upon members of a company may be exercised in respect of any subsidiary company by members of the holding company as if they were members of that subsidiary company.

133. (1) Save as provided by sub-section (2) the balance-sheet and profit and loss account or income and expenditure account shall—

(i) in the case of a banking company, be signed by the manager or managing agent (if any) and, where there are more than three directors of the company, by at least three of those directors and, where there are not more than three directors, by all the directors;

(ii) in the case of any other company, be signed by two directors or, when there are less than two directors, by the sole director and by the manager or managing agent (if any) of the company.
(2) When the total number of directors of the company for the time being in British India is less than the number of directors whose signatures are required by sub-section (1), then the balance-sheet and profit and loss account or income and expenditure account shall be signed by all the directors for the time being in British India, or, if there is only one director for the time being in British India, by such director, but in such a case there shall be subjoined to the balance-sheet and profit and loss account or income and expenditure account a statement signed by such director explaining the reason for non-compliance with the provisions of sub-section (1).

(3) If any default is made in laying before the company or in issuing a balance-sheet and profit and loss account or income and expenditure account as required by section 131 or if any balance-sheet and profit and loss account or income and expenditure account is issued, circulated or published which does not comply with the requirements laid down by and under section 131, section 232, section 132A and this section, the company and every officer of the company who is knowingly and wilfully a party to the default shall be punishable with fine which may extend to five hundred rupees.

135. Save as otherwise provided in this Act, any member of a company shall be entitled to be furnished with copies of the balance-sheet and the profit and loss account or the income and expenditure account and the auditor’s report at a charge not exceeding six annas for every hundred words or fractional part thereof.

Statement to be published by Banking and certain other Companies.

136. (1) Every company being a limited banking company or an insurance company or a deposit, provident or benefit society shall, before it commences business, and also on the first Monday in February and the first Monday in August in every year during which it carries on business, make a statement in the form marked G in the Third Schedule, or as near thereto as circumstances will admit.
S. 137 | Act VII of 1913 (as amended by Act XXII of 1936) 71

(2) A copy of the statement together with a copy of the last audited balance-sheet (said before the members of the company shall be displayed and, until the display of the next following statement, kept displayed in a conspicuous place in the registered office of the company, and in every branch office or place where the business of the company is carried on.

(3) Every member and every creditor of the company shall be entitled to a copy of the statement on payment of a sum not exceeding eight annas.

(4) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

(5) This section shall not apply to a life assurance company or provident insurance society to which the provisions of the Indian Life Assurance Companies Act, 1912, or of the Provident Insurance Societies Act, 1912, as the case may be, as to the annual statements to be made by such company or society, apply with or without modifications, if the company or society complies with those provisions.

Investigation by the Registrar.

137. (1) Where the registrar, on perusal of any document which a company is required to submit to him under the provisions of this Act, is of opinion that any information or explanation is necessary in order that such document may afford full particulars of the matter to which it purports to relate, he may, by a written order, call on the company submitting the document to furnish in writing such information or explanation within such time as he may specify in his order.

(2) On the receipt of an order under sub-section (1), it shall be the duty of all persons who are or have been officers of the company to furnish such information or explanation to the best of their power.

(3) If any such person refuses or neglects to furnish any such information or explanation, he shall be liable to a fine not exceeding fifty rupees in respect of each offence, and the Court may on the application of the registrar and upon notice to the company make an order on the company for production of such documents as in its opinion may reasonably be required by the registrar for his investigation and allow the registrar inspection thereof on such terms and conditions as it thinks fit.

(4) On receipt of such information or explanation the registrar may annex the same to the original document submitted to him; and any additional document so annexed by the registrar shall be subject to the like provisions as to inspection and the taking of copies as the original document is subject.

(5) If such information or explanation is not furnished within the specified time, or if after perusal of such information or explanation the registrar is of opinion that the document in question discloses an unsatisfactory state of affairs, or that it does not disclose a full and fair statement of the matters to which it purports to relate, the registrar shall report in writing the circumstances of the case to the Local Government.

(6) If it is represented to the registrar in materials placed before him by any contributory or creditor that the business of a company is carried on...
in fraud of its creditors or in fraud of persons dealing with the company or for a fraudulent purpose, he may after giving the company an opportunity of being heard by written order call on the company for information or explanation on matters specified in the order within such time as he may specify in the order and the provisions of sub-sections (2), (3) and (5) of this section shall apply to such order. If upon investigation the registrar is satisfied that any representation on which he has taken action under this sub-section is frivolous or vexatious, he shall disclose the identity of the informant to the company.

(7) The provisions of this section shall apply mutatis mutandis to documents which a liquidator is required to file under this Act.

Inspection and Audit.

138. The Local Government may appoint one or more competent inspectors to investigate the affairs of any company and to report thereon in such manner as the Local Government may direct—
(i) in the case of a banking company having a share capital, on the application of members holding not less than one-fifth of the shares issued;
(ii) in the case of any other company having a share capital, on the application of members holding not less than one-tenth of the shares issued;
(iii) in the case of a company not having a share capital, on the application of not less than one-fifth in number of the persons on the company's register of members;
(iv) in the case of any company, on a report by the registrar under section 137, sub-section (5).

139. An application by members of a company under section 138 shall be supported by such evidence as the Local Government may require for the purpose of showing that the applicants have good reason for, and are not actuated by malicious motives in requiring the investigation; and the Local Government may, before appointing an inspector, require the applicants to give security for payment of the costs of the enquiry.

140. (1) It shall be the duty of all persons who are or have been officers of the company to produce to the inspectors all books and documents in their custody or power relating to the company.
(2) An inspector may examine on oath any such person in relation to its business, and may administer an oath accordingly.
(3) If any person refuses to produce any book or document which under this section it is his duty to produce, or to answer any question relating to the affairs of the company, he shall be liable to a fine not exceeding fifty rupees in respect of each offence.

141. (1) On the conclusion of the investigation, the inspectors shall report their opinion to the Local Government, and a copy of the report shall be forwarded by the Local Government to the registrar and another copy to the registered office of the company, and a further copy shall, at the request of the applicants for the investigation, be delivered to them.
143. A copy of the report of any inspectors appointed under this Act, authenticated by the seal of the company whose affairs they have investigated, shall be admissible in any legal proceeding as evidence of the opinion of the inspectors in relation to any matter contained in the report.
144. (1) No person shall be appointed or act as an auditor of any company other than a private company not being the subsidiary company of a public company unless he holds a certificate from the Governor General in Council entitling him to act as an auditor of companies.

Provided that a firm whereof all the partners practising in India hold such certificates may be appointed by its firm-name to be auditor of a company, and may act in its firm-name.

(2) The Governor General in Council may, by notification in the Gazette of India and after previous publication, make rules providing for the grant, renewal or cancellation of such certificates and prescribing conditions and restrictions for such grant, renewal or cancellation:

Provided that nothing contained in such rules preclude any person from being granted a certificate merely by reason that he does not practise as a public accountant.

(2-A) In particular, and without prejudice to the generality of the foregoing power, such rules may—

(a) provide for the maintenance of a Register of Accounts entitled to apply for such certificates;
(b) prescribe the qualifications for enrolment on the Register and the fees therefor;
(c) provide for the examination of candidates for enrolment, and prescribe the fees to be paid by examinees;
(d) prescribe the circumstances in which the name of any person may be removed from or restored to the Register;
(e) provide for the establishment, constitution and procedure of an Indian Accountancy Board, consisting of persons representing the interests principally affected or having special knowledge of accountancy in India, to advise him on all matters of administration relating to accountancy, and to assist him in maintaining the standards of qualification and conduct of persons enrolled on the Register; and
(f) provide for the establishment, constitution and procedure of local accountancy boards at such centres as the Governor General in Council may select, to advise him and the Indian Accountancy Board on any matter that may be referred to them.

(2-B) The holder of a certificate granted under this section shall be entitled to be appointed and act as an auditor of companies throughout British India.

(3) Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

(4) If an appointment of an auditor is not made at an annual general meeting, the Local Government may, on the application of any member of the company, appoint an auditor of the company for the current year, and fix the remuneration to be paid to him by the company for his services.

(5) The following persons: that is to say,

(i) a director or officer of the company; and
(ii) a partner of such director or officer; and
(iii) in the case of a company other than a private company not being the subsidiary company of a public company, any person in the employment of such director or officer; and
(iv) any person indebted to the company shall not be appointed auditors of the company and if any person after being appointed auditor becomes indebted to the company his appointment shall thereupon be terminated.

(6) A person, other than a retiring auditor, shall not be capable of being appointed auditor at an annual general meeting unless notice of an intention to nominate that person to the office of auditor has been given by a member of the company to the company not less than fourteen days before such annual general meeting, and the company shall send copy of any such notice to the retiring auditor, and shall give notice thereof to its members either by advertisement or in any other mode allowed by the articles not less than seven days before the annual general meeting:

Provided that, if after notice of the intention to nominate an auditor has been given to the company, an annual general meeting is called for a date fourteen days or less after the notice has been given, the requirements of this section as to time in respect of such a notice shall be deemed to have been satisfied, and the notice to be sent or given by the company may, instead of being sent or given with the time required by this section, be sent or given at the same time as the notice of the annual general meeting.

(7) The first auditors of the company may be appointed by the directors before the statutory meeting, and if so appointed shall hold office until the first annual general meeting, unless previously removed by a resolution of the members of the company in general meeting, in which case such members at that meeting may appoint auditors.

(8) The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues, the surviving or continuing auditor or auditors (if any) may act.

(9) The remuneration of the auditors of a company shall be fixed by the company in general meeting, except that the remuneration of any auditors appointed before the statutory meeting, or to fill any casual vacancy, may be fixed by the directors.

145. (1) Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors.

(2) The auditors shall make a report to the members of the company on the accounts examined by them, and on every balance-sheet and profit and loss account laid before the company in general meeting during their tenure of office, and the report shall state:

(a) whether or not they have obtained all the information and explanations they have required, and...
COMPANIES ACT

(b) whether or not in their opinion the balance-sheet and the profit and loss account referred to in the report are drawn up in conformity with the law; and:

c) whether or not such balance-sheet exhibits a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them, and as shown by the books of the company; and

d) whether in their opinion books of account have been kept by the company as required by section 130.

(2A) Where any of the matters referred to in clauses (a), (b), (c) and (d) of sub-section (2) is answered in the negative or with a qualification, the report shall state the reason for such answer.

(3) In the case of a banking company, if the company has branch banks beyond the limits of India, it shall be sufficient if the auditor is allowed access to such copies of and extracts from the books and accounts of any such branch as have been transmitted to the head office of the company in British India.

(4) The auditors of a company shall be entitled to receive notice of and to attend any general meeting of the company at which any accounts which have been examined or reported on by them are to be laid before the company and may make any statement or explanation they desire with respect to the accounts.

(5) If any auditors' report is made which does not comply with the requirements of this section, every auditor who is knowingly and wilfully a party to the default shall be punishable with fine which may extend to one hundred rupees.

146. (1) Holders of preference shares and debentures of a company shall have the same right to receive and inspect the balance-sheets and profit and loss accounts of the company and the reports of the auditors and other reports as is possessed by the holders of ordinary shares in the company.

(2) This section shall not apply to a private company, nor to a company registered before the commencement of this Act:

Provided that in the case of any public company whether registered before or after the commencement of this Act the trustees for holders of debentures shall have the right conferred by sub-section (1) on holders of preference shares and debentures of a company.

Carrying on business with less than the legal minimum of members.

147. If at any time the number of members of a company is reduced, in the case of a private company, below two, or in the case of any other company, below seven, and it carries on business for more than six months while the number is so reduced, every person who is a member of the company during the time that it so carries on business after those six months and is cognizant of the fact that it is carrying on business with fewer than two members or seven members, as the case may be, shall be severally liable for the payment
Service and Authentication of Documents.

148. A document may be served on a company by leaving it at, or sending it by post to, the registered office of the company.

149. A document may be served on the registrar by sending it to him by post, or delivering it to him, or by leaving it for him at his office.

150. A document or proceeding requiring authentication by a company may be signed by a director, secretary or other authorised officer of the company, and need not be under its common seal.

Application and alteration of tables and forms. 151. (1) The forms in the Third Schedule or forms as near thereto as circumstances admit shall be used in all matters to which those forms refer.

(2) The Governor General in Council may alter any of the tables and forms in the First Schedule, so that he does not increase the amount of fees payable to the registrar in the said Schedule mentioned, and may alter or add to the forms in the Third Schedule.

(3) Any such table or form, when altered, shall be published in the Gazette of India, and on such publication shall have effect as if enacted in this Act, but no alteration made by the Governor General in Council in Table A in the First Schedule shall affect any company registered before the alteration, or repeal, as respects that company, any portion of that table.

(4) In addition to the powers hereinbefore conferred by this section, the Governor General in Council may make rules providing for all or any matters which by this Act are to be prescribed by his authority.

(5) Every such rule shall be published in the Gazette of India, and on such publication shall have effect as if enacted in this Act.

Arbitration and Compromise.

152. (1) A company may by written agreement refer any matters to arbitration, in accordance with the Indian Arbitration Act, 1899, an existing or future difference between itself and any other company or person.

(2) Companies, parties to the arbitration, may delegate to the arbitrator power to settle any terms or to determine any matter capable of being lawfully settled or determined by the companies themselves, or by their directors or other managing body.

(3) The provisions of the Indian Arbitration Act, 1899, other than those restricting the application of the Act in respect of the subject-matter of the arbitration, shall apply to all arbitrations between companies and persons in pursuance of this Act.
153. (1) Where a compromise or arrangement is proposed between a company and its creditors or any class of them, or between a company and its members or any class of them, the Court may, on the application in a summary way of the company or of any creditor or member of the company or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the members of the company or class of members, as the case may be, to be called, held and conducted in such manner as the Court directs.

(2) If a majority in number representing three-fourths in value of the creditors or class of creditors, or members or class of members, as the case may be, present either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Court, be binding on all the creditors or the class of creditors, or on all the members or class of members, as the case may be, and also on the company, or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

(3) An order made under sub-section (2) shall have no effect until a certified copy of the order has been filed with the registrar, and a copy of every such order shall be annexed to every copy of the memorandum of the company issued after the order has been made, or in the case of a company not having a memorandum, of every copy so issued of the instrument constituting or defining the constitution of the company.

(4) If a company makes default in complying with sub-section (3) the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made.

(5) The Court may, at any time after an application has been made to it under this section, stay the commencement or continuation of any suit or proceeding against a company on such terms as it thinks fit and proper until the application is finally disposed of.

(6) In this section the expression "company" means any company liable to be wound up under this Act and for the purposes of this section unsecured creditors who may have filed suits or obtained decrees shall be deemed to be of the same class as other unsecured creditors.

(7) An appeal shall lie from any order made by the Court exercising original jurisdiction under this section to the authority authorised to hear appeals from the decisions of the Court.

153A. (1) Where an application is made to the Court under section 153 for the sanctioning of a compromise or arrangement proposed between a company and any such persons as are mentioned in that section, and it is shown to the Court that the compromise or arrangement has been proposed for the purposes of or in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies, and that under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (in this section referred to as a 'transferor company') is to be transferred to
S. 153B  ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936) 79

another company (in this section referred to as the 'transferee company'), the Court may, either by the order sanctioning the compromise or arrangement or by any subsequent order, make provision for all or any of the

following matters—

(a) the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of any transferor company;

(b) the allotting or appropriation by the transferee company of any shares, debentures, policies, or other like interests in that company which under the compromise or arrangement are to be allotted or appropriated by that company to or for any person;

(c) the continuation by or against the transferee company of any legal proceedings pending by or against any transferor company;

(d) the dissolution, without winding up, of any transferor company;

(e) the provision to be made for any persons who, within such time and in such manner as the Court directs, dissent from the compromise or arrangement;

(f) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out.

(2) Where an order under this section provides for the transfer of property or liabilities, that property shall, by virtue of the order, be transferred to and vest in, and those liabilities shall, by virtue of the order, be transferred to and become the liabilities of, the transferee company, and in the case of any property, if the order so directs, freed from any charge which is by virtue of the compromise or arrangement to cease to have effect.

(3) Where an order is made under this section, every company in relation to which the order is made shall cause a certified copy thereof to be delivered to the registrar for registration within fourteen days after the completion of the order, and if default is made in complying with this sub-section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.

(4) In this section the expression 'property' includes property, rights and powers of every description, and the expression 'liabilities' includes duties.

(5) Notwithstanding the provisions of sub-section (4) of section 153, the expression 'company' in this section does not include any company other than a company within the meaning of this Act.

153B. (1) Where a scheme or contract involving the transfer of shares or any class of shares in a company (in this section referred to as the 'transferor company') to another company, whether a company within the meaning of this Act or not (in this section referred to as the 'transferee company'), has within four months after the making of the offer in that behalf by the transferee company been approved by the holders of not less than three-fourths in value of the shares affected, the transferee company may, at any time within two months after the expiration of the said four
months, give notice in the prescribed manner to any dissenting share­holder that it desires to acquire his shares, and where such a notice is given the transferee company shall, unless on an application made by the dissenting shareholder within one month from the date on which the notice was given the Court thinks fit to order otherwise, be entitled and bound to acquire those shares on the terms on which under the scheme or contract the shares of the approving shareholders are to be transferred to the transferee company:

Provided that, where any such scheme or contract has been so approved at any time before the commencement of the Indian Companies (Amendment) Act, 1936, the Court may by order, on an application made to it by the trans­feree company within two months after the commencement of that Act, authorize notice to be given under this section at any time within fourteen days after the making of the order, and this section shall apply accordingly, except that the terms on which the shares of the dissenting shareholder are to be acquired shall be such terms as the Court may by the order direct instead of the terms provided by the scheme or contract.

(2) Where a notice has been given by the transferee company under this section and the Court has not, on an application made by the dissenting shareholder, ordered to the contrary, the transferee company shall, on the expiration of one month from the date on which the notice has been given, or, if an application to the Court by the dissenting shareholder is then pending, after that application has been disposed of, transmit a copy of the notice to the transferor company and pay or transfer to the transferor company the amount or other consideration representing the price payable by the transferee company for the shares which by virtue of this section that company is entitled to acquire, and the transferor company shall thereupon register the transferee company as the holder of those shares.

(3) Any sums received by the transferor company under this section, shall be paid into a separate bank account, and any such sums and any other consideration so received shall be held by that company on trust for the several persons entitled to the shares in respect of which the said sums or other consideration were respectively received.

(4) In this section the expression 'dissenting shareholder' includes a shareholder who has not assented to the scheme or contract and any share­holder who has failed or refused to transfer his shares to the transferee company in accordance with the scheme or contract.

154. (1) If a company, being a private company, alters its articles in such manner that they no longer include the provisions which, under the provisions of clause (19) of sub-sec­tion (1) of section 5, are required to be included in the articles of a company in order to constitute it a private company, the company shall, as on the date of the alteration, cease to be a private company and shall, within a period of fourteen days after the said date, file with the registrar a prospectus or a statement in lieu of prospectus in the form and containing the particulars set out in the form marked II in the Second Schedule.

(2) If default is made in complying with sub-section (1) of this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding five hundred rupees.
(3) Where the articles of a company include the provisions aforesaid but default is made in complying with any of those provisions, the company shall cease to be entitled to the privileges and exemptions conferred on private companies under the provisions contained in this Act, and thereafter the provisions of this Act shall apply to the company as if it were not a private company:

Provided that the Court, on being satisfied that the failure to comply with the conditions was accidental or due to inadvertence or to some other sufficient cause, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any other person interested and on such terms and conditions as seem to the Court just and expedient, order that the company be relieved from such consequences as aforesaid.

PART V.

WINDING UP.

Preliminary.

Mode of winding up. 155. (1) The winding up of a company may be either—

(i) by the Court; or
(ii) voluntary; or
(iii) subject to the supervision of the Court.

(2) The provisions of this Act with respect to winding up apply, unless the contrary appears, to the winding up of a company in any of these modes.

Contributories.

156. (1) In the event of a company being wound up, every present and past member shall, subject to the provisions of this section, be liable to contribute to the assets of the company to an amount sufficient for payment of its debts and liabilities and the costs, charges and expenses of the winding up, and for the adjustment of the rights of the contributories among themselves, with the qualifications following (that is to say):—

(i) a past member shall not be liable to contribute if he has ceased to be a member for one year or upwards before the commencement of the winding up;
(ii) a past member shall not be liable to contribute in respect of any debt, or liability of the company contracted after he ceased to be a member;
(iii) a past member shall not be liable to contribute unless it appears to the Court that the existing members are unable to satisfy the contributions required to be made by them in pursuance of this Act;
(iv) in the case of a company limited by shares, no contribution shall be required from any member exceeding the amount (if any) unpaid on the shares in respect to which he is liable as a present or past member;
(v) in the case of a company limited by guarantee, no contribution shall be required from any member exceeding the amount...
under taken to be contributed by him to the assets of the company in the event of its being wound up;

(vi) nothing in this Act shall invalidate any provision contained in any policy of insurance or other contract whereby the liability of individual members on the policy or contract is restricted, or whereby the funds of the company are alone made liable in respect of the policy or contract;

(vii) a sum due to any member of a company in his character of a member, by way of dividends, profits or otherwise, shall not be deemed to be a debt of the company payable to that member in a case of a competition between himself and any other creditor not a member of the company; but any such sum may be taken into account for the purpose of the final adjustment of the rights of the contributories among themselves.

(2) In the winding up of a company limited by guarantee which has a share capital, every member of the company shall be liable, in addition to the amount undertaken to be contributed by him to the assets of the company in the event of its being wound up, to contribute to the extent of any sums unpaid on any shares held by him.

157. In the winding up of a limited company any director whether past or present, whose liability is, in pursuance of this Act, unlimited, shall, in addition to his liability (if any) to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of the winding up a member of an unlimited company:

Provided that—

(i) a past director shall not be liable to make such further contribution if he has ceased to hold office for a year or upwards before the commencement of the winding up;

(ii) a past director shall not be liable to make such further contribution in respect of any debt or liability of the company contracted after he ceased to hold office;

(iii) subject to the articles a director shall not be liable to make such further contribution unless the Court deems it necessary to require that contribution in order to satisfy the debts and liabilities of the company, and the costs, charges and expenses of the winding up.

158. The term "contributory" means every person liable to contribute to the assets of a company in the event of its being wound up, and, in all proceedings for determining and in all proceedings prior to the final determination of the persons who are to be deemed contributories, includes any person alleged to be a contributory.

159. (1) The liability of a contributory shall create a debt payable at the time specified in the calls made on him by the liquidator.

(2) No claim founded on the liability of a contributory shall be cognizable by any Court of Small Causes sitting outside the Presidency-towns.
Contributories in case of death of member.

160. (1) If a contributory dies either before or after he has been placed on the list of contributories, his legal representatives and heirs shall be liable to a due course of administration to contribute to the assets of the company in discharge of his liability and shall be contributories accordingly.

(2) If the legal representatives or heirs make default in paying any money ordered to be paid by them, proceedings may be taken for administering the property of the deceased contributory, whether movable or immovable, or both, and of compelling payment thereof out of the money due.

(3) For the purposes of this section the surviving coparceners of a contributory who is a member of a Hindu joint family governed by the Mitaksara School of Hindu Law shall be deemed to be his legal representatives and heirs.

Winding up by Court.

161. If a contributory is adjudged insolvent either before or after he has been placed on the list of contributories, then—

(1) his assignees shall represent him for all the purposes of the winding up, and shall be contributories accordingly, and may be called on to admit to proof against the estate of the insolvent, or otherwise to allow to be paid out of his assets in due course of law, any money due from the insolvent in respect of his liability to contribute to the assets of the company; and

(2) there may be proved against the estate of the insolvent the estimated value of his liability to future calls as well as calls already made.

Circumstances in which company may be wound up by Court.

162. A company may be wound up by the Court—

(i) if the company has by special resolution resolved that the company be wound up by the Court;

(ii) if default is made in filing the statutory report or in holding the statutory meeting;

(iii) if the company does not commence its business within a year from its incorporation, or suspends its business for a whole year;

(iv) if the number of members is reduced, in the case of a private company, below two or, in the case of any other company, below seven;

(v) if the company is unable to pay its debts;

(vi) if the Court is of opinion that it is just and equitable that the company should be wound up.

Company deemed unable to pay its debts.

163. (1) A company shall be deemed to be unable to pay its debts—

(i) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees then due, has served on the company, by causing the same to be delivered by registered post or otherwise at its registered office, a demand under his hand requiring the
company to pay the sum so due and the company has for
three weeks thereafter neglected to pay the sum, or to
secure or compound for it to the reasonable satisfaction
of the creditor; or
(ii) if execution or other process issued on a decree or order of
any Court in favour of a creditor of the company is re­
turned unsatisfied in whole or in part; or
(iii) if it is proved to the satisfaction of the Court that the
company is unable to pay its debts, and, in determining
whether a company is unable to pay its debts, the Court
shall take into account the contingent and prospective
liabilities of the company.

(2) The demand referred to in clause (i) of sub-section (1) shall be
deemed to have been duly given under the hand of the creditor if it is signed
by an agent or legal adviser duly authorised on his behalf, or in the case of
a firm if it is signed by such agent or by a legal adviser or any one member
of the firm on behalf of the firm.

164. Where the High Court makes an order for winding up a company
under this Act, it may, if it thinks fit, direct that the proceedings to be had in a District Court; and
thereupon such District Court shall, for the purpose of
winding up the company, be deemed to be "the Court"
within the meaning of this Act, and shall have, for the purposes of such wind­
ing up, all the jurisdiction and powers of the High Court.

165. If during the progress of a winding up in a District Court it is
made to appear to the High Court that the same could
be more conveniently prosecuted in any other District
Court having jurisdiction to wind up companies, the
High Court may transfer the same to such other Court,
and thereupon the winding up shall proceed in such other District Court.

166. An application to the Court for the winding up of a company shall
be by a petition presented, subject to the provisions of
this section, either by the company, or by any creditor
or creditors (including any contingent or prospective
creditor or creditors), contributory or contributories, or
by all or any of those parties, together or separately or by the registrar:
Provided that—

(a) a contributory shall not be entitled to present a petition for
winding up a company unless—
(i) either the number of members is reduced, in the case of a
private company, below two, or, in the case of any other
company, below seven; or
(ii) the shares in respect of which he is a contributory or some of
them either were originally allotted to him or have been
held by him, and registered in his name, for at least six
months during the eighteen months before the commence­
ment of the winding up, or have devolved on him through
the death of a former holder;
Section 170

ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936) 85

(a) the registrar shall not be entitled to present a petition for winding up a company—

(i) except on the ground that from the financial condition of the company as disclosed in its balance-sheet or from the report of an inspector appointed under section 138 it appears that the company is unable to pay its debts, and

(ii) unless the previous sanction of the Local Government has been obtained to the presentation of the petition:

Provided that no such sanction shall be given unless the company has first been afforded an opportunity of being heard.

(b) a petition for winding up a company on the ground of default in filing the statutory report or in holding the statutory meeting shall not be presented by any person except a shareholder, nor before the expiration of fourteen days after the last day on which the meeting ought to have been held;

(c) the Court shall not give a hearing to a petition for winding up a company by a contingent or prospective creditor until such security for costs has been given as the Court thinks reasonable and until a prima facie case for winding up has been established to the satisfaction of the Court.

167. An order for winding up a company shall operate in favour of all the creditors and of all the contributories of the company as if made on the joint petition of a creditor and of a contributory.

168. A winding up of a company by the Court shall be deemed to commence at the time of the presentation of the petition for the winding up.

169. The Court may, at any time after the presentation of the petition for winding up a company under this Act, and before making an order for winding up the company, upon the application of the company or of any creditor or contributary of the company, restrain further proceedings in any suit or proceeding against the company, upon such terms as the Court thinks fit.

170. (1) On hearing the petition the Court may dismiss it with or without costs, or adjourn the hearing conditionally or unconditionally, or make any interim order or any other order that it deems just, but the Court shall not refuse to make a winding up order on the ground only that the assets of the company have been mortgaged to an amount equal to or in excess of those assets, or that the company has no assets.

(2) Where the petition is presented on the ground of default in filing the statutory report or in holding the statutory meeting, the Court may order the costs to be paid by any persons who, in the opinion of the Court, are responsible for the default.

(3) Where the Court makes an order for the winding up of a company it shall, except where a liquidator is appointed simultaneously, forthwith cause intimation thereof to be sent to the official receiver.
COMPANIES ACT

171. When a winding up order has been made, or a provisional liquidator has been appointed, no suit or other legal proceeding shall be proceeded with or commenced against the company except by leave of the Court and subject to such terms as the Court may impose.

171A. (1) For the purposes of this Act, so far as it relates to the winding up of companies by the Court, the term 'official receiver' means the official receiver attached to the Court, or, if there is no such official receiver, then such person as the Local Government may, by notification in the local official Gazette, appoint for the purpose.

(2) On the making of a winding up order, the official receiver shall become the official liquidator of the company and shall continue to act as such until his further continuance is terminated by an order of the Court.

(3) The official receiver shall as such official liquidator forthwith take into his custody and control all the books, documents and the assets of the company.

(4) The official receiver shall be entitled to such remuneration as the Court shall fix.

172. (1) On the making of a winding up order it shall be the duty of the petitioner in the winding up proceedings and of the company to file with the registrar a copy of the order within a month from the date of the making of the order.

(2) On the filing of a copy of a winding up order, the registrar shall make a minute thereof in his books relating to the company, and shall notify in the local official Gazette that such an order has been made.

(3) Such order shall be deemed to be notice of discharge to the servants of the company, except when the business of the company is continued.

173. The Court may at any time after an order for winding up, on the application of any creditor or contributory, and on proof to the satisfaction of the Court that all proceedings in relation to the winding up ought to be stayed, make an order staying the proceedings, either altogether or for a limited time, on such terms and conditions as the Court thinks fit.

174. The Court may, as to all matters relating to a winding up, have regard to the wishes of the creditors or contributories as proved to it by any sufficient evidence.

OFFICIAL LIQUIDATORS.

175. (1) For the purpose of conducting the proceedings in winding up a company and performing such duties in reference thereto as the Court may impose, the Court may appoint a person or persons other than the official receiver to be called an official liquidator or official liquidators.

(2) The Court may make such an appointment provisionally at any time after the presentation of a petition and before the making of an order for-
S. 177A.

ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936)

87

winding up but shall before making any such appointment give notice to the company, unless for reasons to be recorded it thinks fit to dispense with notice.

(3) If more persons than one are appointed to the office of the official liquidator, the Court shall declare whether any act by this Act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons.

(4) The Court may determine whether any, and what, security is to be given by any official liquidator in his appointment.

(5) The acts of an official liquidator shall be valid notwithstanding any defect that may afterwards be discovered in his appointment: Provided that nothing in this sub-section shall be deemed to give validity to acts done by an official liquidator after his appointment has been shown to be invalid.

(6) A receiver shall not be appointed of assets in the hands of an official liquidator.

Resignation, retirement, filling up of vacancies and compensation.

(1) Any official liquidator may resign or be removed by the Court on due cause shown.

(2) Any vacancy in the office of the official liquidator appointed by the Court shall be filled up by the Court and until the vacancy is so filled up the official receiver shall be and act as the official liquidator.

(3) There shall be paid to the official liquidator such salary or remuneration, by way of percentage or otherwise, as the Court may direct; and, if more liquidators than one are appointed, such remuneration shall be distributed amongst them in such proportions as the Court directs.

177. The official liquidator shall be described by the style of the official liquidator, liquidator of the particular company in respect of which he is appointed, and not by his individual name.

177A. (1) Where the Court has made a winding up order or appointed an official liquidator provisionally, there shall, unless the Court thinks fit to order otherwise and so orders, be made out and submitted to the official liquidator a statement as to the affairs of the company verified by an affidavit and containing the following particulars, namely:—

(a) the assets of the company, stating separately the cash balance in hand and at the bank, if any;
(b) the debts and liabilities;
(c) the names, residences and occupations of the creditors stating separately the amount of secured debts and unsecured debts, and in the case of secured debts particulars of the securities, their value and the dates when they were given;
(d) the debts due to the company and the names, residences and occupations of the persons from whom they are due and the amount likely to be realised therefrom.

(2) The statement shall be submitted and verified by one or more of the persons who are at the relevant date the directors and by the person who is at that date the secretary, manager or other chief officer of the company, or by such of the persons hereinafter in this sub-section mentioned as the
official liquidator, subject to the direction of the Court, may require to submit and verify the statement, that is to say, persons—
(a) who are or have been directors or officers of the company;
(b) who have taken part in the formation of the company at any time within one year before the relevant date;
(c) who are in the employment of the company, or have been in the employment of the company within the said year, and are in the opinion of the official liquidator capable of giving the information required;
(d) who are or have been within the said year officers of or in the employment of a company, which is, or within the said year was, an officer of the company to which the statement relates.

(3) The statement shall be submitted within twenty-one days from the relevant date, or within such extended time as the official liquidator or the Court may for special reasons appoint.

(4) Any person making or concurring in making the statement and affidavit required by this section shall be allowed, and shall be paid by the official liquidator or provisional liquidator, as the case may be, out of the assets of the company, such costs and expenses incurred in and about the preparation and making of the statement and affidavit as the official liquidator may consider reasonable, subject to an appeal to the Court.

(5) Any person, without reasonable excuse, knowingly and wilfully making default in complying with the requirements of this section, he shall be liable to a fine not exceeding one hundred rupees for every day during which the default continues.

(6) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled by himself or by his agent at all reasonable times, on payment of the prescribed fee, to inspect the statement submitted in pursuance of this section, and to a copy thereof or extract therefrom.

(7) Any person untruthfully so stating himself to be a creditor or contributory shall be guilty of an offence under section 182 of the Indian Penal Code and shall, on the application of the liquidator or of the official receiver, be punishable accordingly.

(8) In this section the expression “the relevant date” means, in a case where a provisional liquidator is appointed, the date of his appointment, and, in a case where no such appointment is made, the date of the winding-up order.

177B. (1) In a case where a winding-up order is made, the official liquidator shall, as soon as practicable after receipt of the statement to be submitted under section 177A and not later than four, or with the leave of the Court, six months from the date of the order, or in a case where the Court orders that no statement shall be submitted, as soon as practicable after the date of the order, submit a preliminary report to the Court—
(a) as to the amount of capital issued, subscribed, and paid up, and the estimated amount of assets and liabilities, giving separately under the heading of assets particulars of—
(1) cash and negotiable securities;
(ii) debts due from contributories;
(iii) debts due to and securities, if any, available to the company;
(iv) moveable and immovable properties belonging to the company;
(v) unpaid calls; and

(b) if the company has failed, as to the causes of the failure; and
(c) whether in his opinion further inquiry is desirable as to any matter relating to the promotion, formation, or failure of the company, or the conduct of the business thereof.

(2) The official liquidator may also, if he thinks fit, make a further report, or further reports, stating the manner in which the company was formed and whether in his opinion any fraud has been committed by any person in its promotion or formation, or by any director or other officer of the company in relation to the company since the formation thereof, and any other matters which in his opinion it is desirable to bring to the notice of the Court.

§ 178. (1) The official liquidator whether appointed provisionally or ultimate shall take into his custody, or under his control, all the property, effects and actionable claims to which the company is or appears to be entitled.

(2) All the property and effects of the company shall be deemed to be in the custody of the Court as from the date of the order for the winding up of the company.

§ 178A. (1) The official liquidator shall within a month from the date of the order for the winding up of a company convene a committee of inspection in compulsory winding up, or meeting of the creditors of the company (as ascertained from the books and documents of the company) for the purpose of determining whether or not a committee of inspection shall be appointed to act with the liquidator, and who are to be members of the committee, if appointed.

(2) The official liquidator shall within a week from the date of the creditors' meeting convene a meeting of the contributories to consider the decision of the creditors and to accept the same with or without modifications.

(3) If the contributories do not accept the decision of the creditors in its entirety, it shall be the duty of the official liquidator to apply to the Court for directions as to whether there shall be a committee of inspection and, if so, what shall be the composition of the committee, and who shall be members thereof.

(4) A committee of inspection appointed under this section shall consist of not more than twelve members being creditors and contributories of the company or persons holding general or special powers of attorney from creditors or contributories in such proportions as may be agreed on by the meetings of creditors and contributories, or as, in case of difference, may be determined by the Court.

(5) The committee of inspection shall have the right to inspect the accounts of the official liquidator at all reasonable times.

(6) The committee shall meet at such times as they may from time to time appoint, and, failing such appointment, at least once a month, and the liquidator or any member of the committee may also call a meeting of the committee as and when he thinks necessary.
(7) The committee may act by a majority of their members present at a meeting, but shall not act unless a majority of the committee are present.

(8) A member of the committee may resign by notice in writing signed by him and delivered to the liquidator.

(9) If a member of the committee becomes bankrupt, or compounds or arranges with his creditors or is absent from five consecutive meetings of the committee without the leave of those members who together with himself represent the creditors or contributories, as the case may be, his office shall thereupon become vacant.

(10) A member of the committee may be removed by an ordinary resolution at a meeting of creditors if he represents creditors, or of contributories, if he represents contributories, of which seven days' notice has been given, stating the object of the meeting.

(11) On a vacancy occurring in the committee the liquidator shall forthwith summon a meeting of creditors or of contributories, as the case may require, to fill the vacancy, and the meeting may, by resolution, re-appoint the same or appoint another creditor or contributory to fill the vacancy.

(12) The continuing members of the committee, if not less than two, may act notwithstanding any vacancy in the committee.

Powers of official

179. The official liquidator shall have power, with the sanction of the Court, to do the following things:

(a) to institute or defend any suit or prosecution, or other legal proceeding, civil or criminal, in the name and on behalf of the company;

(b) to carry on the business of the company so far as may be necessary for the beneficial winding up of the same;

(c) to sell the immovable and movable property of the company by public auction or private contract, with power to transfer the whole thereof to any person or company, or to sell the same in parcels;

(d) to do all acts and to execute, in the name and on behalf of the company, all deeds, receipts, and other documents, and for that purpose to use, when necessary, the company's seal;

(e) to prove, rank and claim in the insolvent of any contributory, for any balance against his estate, and to receive dividends in the insolvent, in respect of that balance, as a separate debt due from the insolvent, and rateably with the other separate creditors;

(f) to draw, accept, make and indorse any bill of exchange, hundi or promissory note in the name and on behalf of the company, with the same effect with respect to the liability of the company as if the bill, hundi or note had been drawn, accepted, made or indorsed by or on behalf of the company in the course of its business;

(g) to raise on the security of the assets of the company any money requisite;

(h) to take out, in his official name, letters of administration to any deceased contributory, and to do in his official name any other
act necessary for obtaining payment of any money due from a contributor or his estate which cannot be conveniently done in the name of the company, and in all such cases the money due shall, for the purpose of enabling the liquidator to take out the letters of administration or recover the money, be deemed to be due to the liquidator himself: Provided that nothing herein empowered shall be deemed to affect the rights, duties and privileges of any Administrator-General;

(i) to do all such other things as may be necessary for winding up the affairs of the company and distributing its assets.

180. The Court may provide by any order that the official liquidator may exercise any of the above powers without the sanction or intervention of the Court, and, where an official liquidator is provisionally appointed, may limit and restrict his powers by the order appointing him.

181. The official liquidator may, with the sanction of the Court, appoint an advocate, attorney or pleader entitled to appear before the Court to assist him in the performance of his duties: Provided that, where the official liquidator is an attorney, he shall not appoint his partner, unless the latter consents to act without remuneration.

182. (1) The official liquidator of a company which is being wound up by the Court shall keep, in manner prescribed, proper books in which he shall cause to be made entries or minutes of proceedings at meetings, and of such other matters as may be prescribed, and any creditor or contributory may, subject to the control of the Court, personally or by his agent inspect any such books.

(2) Every official liquidator shall, at such times as may be prescribed but not less than twice in each year during his tenure of office, present to the Court an account of his receipts and payments as such liquidator.

(3) The account shall be in the prescribed form, shall be made in duplicate, and shall be verified by a declaration in the prescribed form.

(4) The Court shall cause the account to be audited in such manner as it thinks fit and for the purpose of the audit the liquidator shall furnish the Court with such vouchers and information as the Court may require, and the Court may at any time require the production of and inspect any books or accounts kept by the liquidator.

(5) When the account has been audited, one copy thereof shall be filed and kept by the Court, and the other copy shall be delivered to the registrar for filing, and each copy shall be open to the inspection of any creditor, or of any person interested.

183. (1) Subject to the provisions of this Act, the official liquidator of a company which is being wound up by the Court shall, in the administration of the assets of the company and in the distribution thereof among its creditors, have regard to any directions that may be given by resolution of the creditors or contributories at any general meeting or by the committee...
of inspection, and any directions given by the creditors or contributories at
e any general meeting shall in case of conflict be deemed to override any
directions given by the committee of inspection.

(2) The official liquidator may summon general meetings of the credi
tors or contributories for the purpose of ascertaining their wishes, and it shall
be his duty to summon meetings at such times as the creditors or contribu
tories, by resolution, may direct, or whenever requested in writing to do so
by one-tenth in value of the creditors or contributories, as the case may be.

(3) The official liquidator may apply to the Court in manner prescribed
for directions in relation to any particular matter arising in the winding up.

(4) Subject to the provisions of this Act, the official liquidator shall
use his own discretion in the administration of the assets of the company and
in the distribution thereof among the creditors.

(5) If any person is aggrieved by any act or decision of the official
liquidator, that person may apply to the Court, and the Court may confirm,
reverse or modify the act or decision complained of, and make such order as
it thinks just in the circumstances.

Ordinary Powers of the Court.

184. (1) As soon as may be after making a winding up order, the Court
shall settle a list of contributories, with power to rectify
Settlement  of  list of the register of members in all cases where rectification is
required in pursuance of this Act. and shall cause the
assets.  assets of the company to be collected and applied in
discharge of its liabilities.

(2) In settling the list of contributories the Court shall distinguish
between persons who are contributories in their own right and persons who
are contributories as being representatives of or liable for the debts of others.

185. The Court may, at any time after making a winding up order,
require any contributory for the time being settled on
Power to require
the list of contributories any money, property or documents in his hands to which the
delivery of property.
company is prima facie entitled.

186. (1) The Court may, at any time after making a winding up order,
Power to order pay-
made on any contributory for the time being settled
ment of debts by
on the list of contributories to pay, in manner directed by
contributory.
the order, any money due from him or from the estate of
the person whom he represents to the company exclusive
of any money payable by him or the estate by virtue of any call in pursu-
ance of this Act.

(2) The Court in making such an order may, in the case of an unlimited
company, allow to the contributory by way of set-off any money due
to him or to the estate which he represents from the company on any
independent dealing or contract with the company, but not any money due
to him as a member of the company in respect of any dividend or profit; and
may, in the case of a limited company, make to any director whose liability
is unlimited or to his estate the like allowance.
Provided that, in the case of any company, whether limited or unlimited, when all the creditors are paid in full, any money due on any account whatever to a contributory from the company may be allowed to him by way of set-off against any subsequent call.

187. (1) The Court may, at any time after making a winding up order, and either before or after it has ascertained the sufficiency of the assets of the company, make calls on and order payment thereof by all or any of the contributories for the time being settled on the list of the contributories to the extent of their liability, for payment of any money which the Court considers necessary to satisfy the debts and liabilities of the company, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

(2) In making the call the Court may take into consideration the probability that some of the contributories may partly or wholly fail to pay the call.

188. The Court may order any contributory, purchaser or other person from whom money is due to the company to pay the same into the account of the official liquidator in any scheduled bank as defined in clause (e) of section 2 of the Reserve Bank of India Act, 1934 instead of to the official liquidator, and any such order may be enforced in the same manner as if it had directed payment to the official liquidator.

189. All moneys, bills, hundis, notes and other securities paid and delivered into the Bank where the liquidator of the Company may have his account in the event of a company being wound up by the Court, shall be subject in all respects to the orders of the Court.

190. (1) An order made by the Court on a contributory shall (subject to any right of appeal) be conclusive evidence that the money, if any, thereby appearing to be due or ordered to be paid is due.

(2) All other pertinent matters stated in the order shall be taken to be truly stated as against all persons, and in all proceedings whatsoever.

191. The Court may fix a time or times within which creditors are to prove their debts or claims, or to be excluded from the benefit of any distribution made before these debts are proved.

192. The Court shall adjust the rights of the contributories among themselves, and distribute any surplus among the persons entitled thereto.

193. The Court may, in the event of the assets being insufficient to satisfy the liabilities, make an order as to the payment out of the assets of the costs, charges and expenses incurred in the winding up in such order of priority as the
194. (1) When the affairs of a company have been completely wound up, the Court shall make an order that the company be dissolved from the date of the order, and the company shall be dissolved accordingly.

(2) The order shall be reported within fifteen days of the making thereof by the official liquidator to the registrar, who shall make in his books a minute of the dissolution of the company.

(3) If the official liquidator makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which he is in default.

Extraordinary Powers of Court.

195. (1) The Court may, after it has made a winding up order, summon before it any officer of the company or person known or suspected to have in his possession any property of the company, or supposed to be indebted to the company, or any person whom the Court deems capable of giving information concerning the trade, dealings, affairs or property of the company.

(2) The Court may examine him on oath concerning the same, either by word of mouth or on written interrogatories, and may reduce his answers to writing and require him to sign them.

(3) The Court may require him to produce any documents in his custody or power relating to the company; but, where he claims any lien on documents produced by him, the production shall be without prejudice to that lien, and the Court shall have jurisdiction in the winding up to determine all questions relating to that lien.

(4) If any person so summoned, after being tendered a reasonable sum for his expenses, refuses to come before the Court at the time appointed, not having a lawful impediment (made known to the Court at the time of its sitting, and allowed by it), the Court may cause him to be apprehended and brought before the Court for examination.

196. (1) When an order has been made for winding up a company by the Court, and the official liquidator has applied to the Court stating that in his opinion a fraud has been committed by any person in the promotion or formation of the company or by any director or other officer of the company in relation to the company since its formation, the Court may, after consideration of the application, direct that any person who has taken any part in the promotion or formation of the company, or has been a director, manager or other officer of the company, shall attend before the Court on a day appointed by the Court for that purpose, and be publicly examined as to the promotion or formation or the conduct of the business of the company, or as to his conduct and dealings as a director, manager or other officer thereof.

(2) The official liquidator shall take part in the examination, and for that purpose may, if specially authorized by the Court in that behalf, employ such legal assistance as may be sanctioned by the Court.

(3) Any creditor or contributory may also take part in the examination either personally or by any person entitled to appear before the Court.
4. The Court may put such questions to the person examined as the Court thinks fit.

5. The person examined shall be examined on oath, and shall answer all such questions as the Court may put or allow to be put to him.

6. A person ordered to be examined under this section may at his own cost employ any person entitled to appear before the Court, who shall be at liberty to put to him such questions as the Court may deem just for the purpose of enabling him to explain or qualify any answers given by him; Provided that if he is, in the opinion of the Court, exculpated from any charges made or suggested against him, the Court may allow him such costs as in its discretion it may think fit.

7. Notes of the examination shall be taken down in writing, and shall be read over to or by, and signed by, the person examined, and may thereupon be used in evidence against him in civil proceedings, and shall be open to the inspection of any creditor or contributory at all reasonable times.

8. The Court may, if it thinks fit, adjourn the examination from time to time.

9. An examination under this section may, if the Court so directs, and subject to any rules in this behalf, be held before any District Judge or before any officer of the High Court, being an official referee, master, registrar or deputy registrar, and the powers of the Court under this section as to the conduct of the examination, but not as to costs, may be exercised by the person before whom the examination is held.

197. The Court, at any time either before or after making a winding up order on proof of probable cause for believing that a contributory is about to quit British India or otherwise abscond, or to remove or conceal any of his property, for the purpose of evading payment of calls or of avoiding examination respecting the affairs of the company, may cause the contributory to be arrested and his books and papers and moveable property to be seized, and him and them to be safely kept until such time as the Court may order.

198. Any powers by this Act conferred on the Court shall be in addition to, and not in restriction of, any existing powers in instituting proceedings against any contributory or debtor of the company, or the estate of any contributory or debtor, for the recovery of any call or other sums.

Enforcement of and Appeal from Orders.

199. All orders made by a Court under this Act may be enforced in the same manner in which decrees of such Court made in any suit pending therein may be enforced.

200. Any order made by a Court for or in the course of the winding up of a company shall be enforced in any place in British India other than that in which such Court is situate, by the Court that would have had jurisdiction in respect of such company if the registered office of the company had been situate at such other place, and in the same manner in all respects as if such order had been made by the Court that is hereby required to enforce the same.
201. Where any order made by one Court is to be enforced by another Court, a certified copy of the order so made shall be produced to the proper officer of the Court required to enforce the same, and the production of such certified copy shall be sufficient evidence of such order having been made; and thereupon the last-mentioned Court shall take the requisite steps in the matter for enforcing the order, in the same manner as if it were the order of the Court enforcing the same.

202. Rehearings of and appeals from any order or decision made or given in the matter of the winding up of a company by the Court may be had in the same manner and subject to the same conditions in and subject to which appeals may be had from any order or decision of the same Court in cases within its ordinary jurisdiction.

203. A company may be wound up voluntarily—

(1) when the period (if any) fixed for the duration of the company by the articles expires, or the event (if any) occurs, on the occurrence of which the articles provide that the company is to be dissolved and the company in general meeting has passed a resolution requiring the company to be wound up voluntarily;

(2) if the company resolves by special resolution that the company be wound up voluntarily;

(3) if the company resolves by extraordinary resolution to the effect that it cannot by reason of its liabilities continue its business, and that it is advisable to wind up;

and the expression 'resolution for voluntarily winding up' when used hereafter in this Part means a resolution passed under clause (1), clause (2) or clause (3) of this section.

204. A voluntary winding up shall be deemed to commence at the time of the passing of the resolution for voluntarily winding up.

205. When a company is wound up voluntarily, the company shall, from the commencement of the winding up, cease to carry on its business, except so far as may be required for the beneficial winding up thereof:

Provided that the corporate status and corporate powers of the company shall, notwithstanding anything to the contrary in its articles, continue until it is dissolved.

206. (1) Notice of any special resolution or extraordinary resolution for winding up a company voluntarily shall be given by the company within ten days of the passing of the same by advertisement in the local Official Gazette, and also in some newspaper (if any) circulating in the district where the registered office of the company is situate.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every
day during which the default continues; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to a like penalty.

209. (1) Where it is proposed to wind up a company voluntarily, the directors of the company or, in the case of a company having more than two directors, the majority of the directors may, at a meeting of the directors held before the date on which the notices of the meeting at which the resolution for the winding up of the company is to be proposed are sent out, make a declaration verified by an affidavit to the effect that they have made a full inquiry into the affairs of the company, and that, having so done, they have formed the opinion that the company will be able to pay its debts in full within a period, not exceeding three years, from the commencement of the winding up.

(2) Such declaration shall be supported by a report of the company's auditors on the company's affairs and shall have no effect for the purposes of this Act unless it is delivered to the registrar for registration before the date mentioned in sub-section (1) of this section.

(3) A winding up in the case of which a declaration has been made and delivered in accordance with this section is in this Act referred to as a 'members' voluntary winding up', and a winding up in the case of which a declaration has not been made and delivered as aforesaid is in this Act referred to as a 'creditors' voluntary winding up'.

Members' voluntary winding up.

208A. (1) The company in general meeting shall appoint one or more liquidators for the purpose of winding up the affairs and distributing the assets of the company, and may fix the remuneration to be paid to him or them.

(2) On the appointment of a liquidator all the powers of the directors shall cease, except so far as the company in general meeting, or the liquidator, sanctions the continuance thereof.

208B. (1) If a vacancy occurs by death, resignation or otherwise in the office of liquidator appointed by the company, the company in general meeting may, subject to any arrangement with its creditors, fill the vacancy.

(2) For that purpose a general meeting may be convened by any contributory or, if there were more liquidators than one, by the continuing liquidators.

(3) The meeting shall be held in manner provided by this Act or by the articles, or in such manner as may, on application by any contributory or by the continuing liquidators, be determined by the Court.
208C. (1) Where a company is proposed to be, or is in course of being, wound up altogether voluntarily, and the whole or part of its business or property is proposed to be transferred or sold to another company, whether a company within the meaning of this Act or not (in this section called 'the transferee company'), the liquidator of the first-mentioned company (in this section called 'the transferor company') may, with the sanction of a special resolution of that company conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, receive, in compensation or part compensation for the transfer or sale, shares, policies, or other like interests in the transferee company, for distribution among the members of the transferor company, or may enter into any other arrangement whereby the members of the transferor company may, in lieu of receiving cash, shares, policies, or other like interests or in addition thereto, participate in the profits of or receive any other benefit from the transferee company.

(2) Any sale or arrangement in pursuance of this section shall be binding on the members of the transferor company.

(3) If any member of the transferor company who did not vote in favour of the special resolution expresses his dissent thereto in writing addressed to the liquidator and left at the registered office of the company within seven days after the passing of the special resolution, he may require the liquidator either to abstain from carrying the resolution into effect or to purchase his interest at a price to be determined by agreement or by arbitration in manner hereafter provided.

(4) If the liquidator elects to purchase the member's interest, the purchase money must be paid before the company is dissolved, and be raised by the liquidator in such manner as may be determined by special resolution.

(5) A special resolution shall not be invalid for the purposes of this section by reason that it is passed before or concurrently with a resolution for voluntary winding up or for appointing liquidators, but if an order is made within a year for winding up the company by or subject to the superintendence of the Court, the special resolution shall not be valid unless sanctioned by the Court.

(6) The provisions of the Indian Arbitration Act, 1899, other than those restricting the application of the Act in respect of the subject-matter of the arbitration, shall apply to all arbitrations in pursuance of this section.

208D. (1) In the event of the winding up continuing for more than one year, the liquidator shall summon a general meeting of the company at the end of the first year from the commencement of the winding up and of each succeeding year, or as soon thereafter as may be convenient within ninety days of the close of the year, and shall lay before the meeting an account of his acts and dealings and of the conduct of the winding up during the preceding year and a statement in the prescribed form containing the prescribed particulars with respect to the position of the liquidation.

(2) If the liquidator fails to comply with this section, he shall be liable to a fine not exceeding one hundred rupees.
208E. (1) As soon as the affairs of the company are fully wound up, the liquidator shall make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon shall call a general meeting of the company for the purpose of laying before it the account, and giving any explanation thereof.

(2) The meeting shall be called by advertisement specifying the time, place and object thereof, and published not least before the meeting in the manner specified in subsection (1) of section 206 for publication of a notice under that subsection.

(3) Within one week after the meeting, the liquidator shall send to the registrar a copy of the account, and shall make a return to him of the holding of the meeting and of its date, and if the copy is not sent or the return is not made in accordance with this sub-section the liquidator shall be liable to a fine not exceeding fifty rupees for every day during which the default continues:

Provided that, if a quorum is not present at the meeting, the liquidator shall, in lieu of the said return, make a return that the meeting was duly summoned and that no quorum was present thereat, and upon such a return being made the provisions of this sub-section as to the making of the return shall be deemed to have been complied with.

(4) The registrar on receiving the account and either of the returns mentioned in sub-section (3) shall forthwith register them and on the expiration of three months from the registration of the return the company shall be deemed to be dissolved:

Provided that the Court may, on the application of the liquidator or of any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the Court thinks fit.

(5) It shall be the duty of the person on whose application an order of the Court under this section is made, within twenty-one days after the making of the order, to deliver to the registrar a certified copy of the order for registration, and if that person fails so to do he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

209A. (1) The company shall cause a meeting of the creditors of the company to be summoned for the day, or the day next following the day, on which there is to be held the meeting at which the resolution for voluntary winding up is to be proposed, and shall cause the notices of the said meeting of creditors to be sent by post to the creditors simultaneously with the sending of the notices of the said meeting of the company.

(2) The company shall cause notice of the meeting of the creditors to be advertised in the manner specified in sub-section (1) of section 206 for the publication of a notice under that sub-section.
(3) The directors of the company shall—

(a) cause a full statement of the position of the company's affairs together with a list of the creditors of the company and the estimated amount of their claims to be laid before the meeting of creditors to be held as aforesaid; and

(b) appoint one of their number to preside at the said meeting.

(4) It shall be the duty of the director appointed to preside at the meeting of creditors to attend the meeting and preside thereat.

(5) If the meeting of the company at which the resolution for voluntary winding up is to be proposed is adjourned and the resolution is passed at an adjourned meeting, any resolution passed at the meeting of the creditors, held in pursuance of sub-section (1) of this section, shall have effect as if it had been passed immediately after the passing of the resolution for winding up the company.

(6) If default is made—

(a) by the company in complying with sub-sections (1) and (2),

(b) by the directors of the company in complying with sub-section (3),

(c) by any director of the company in complying with sub-section (4),

the company, directors or director, as the case may be, shall be liable to a fine not exceeding one thousand rupees and, in the case of default by the company, every officer of the company who is in default shall be liable to the said penalty.

Section 209B. The creditors and the company at their respective meetings mentioned in section 209A may nominate a person to be liquidator for the purpose of winding up the affairs and distributing the assets of the company, and if the creditors and the company nominate different persons, the person nominated by the creditors shall be liquidator, and if no person is nominated by the creditors the person, if any, nominated by the company shall be liquidator:

Provided that in the case of different persons being nominated, any director, member or creditor of the company may, within seven days after the date on which the nomination was made by the creditors, apply to the Court for an order either directing that the person nominated as liquidator by the company shall be liquidator instead of or jointly with the person nominated by the creditors, or appointing some other person to be liquidator instead of person appointed by the creditors.

Section 209C. The creditors at the meeting to be held in pursuance of section 209A or at any subsequent meeting may, if they think fit, appoint a committee of inspection consisting of not more than five persons, and if such a committee is appointed the company may, either at the meeting at which the resolution for voluntary winding up is passed or at any time subsequently in general meeting, appoint such number of persons as they think fit to act as members of the committee not exceeding five in number:

Provided that the creditors may, if they think fit, resolve that all or any of the persons so appointed by the company ought not to be members of the...
committee of inspection, and, if the creditors so resolve, the persons mentioned in the resolution shall not, unless the Court otherwise directs, be qualified to act as members of the committee, and on any application to the Court under this provision the Court may, if it thinks fit, appoint other persons to act as such members in place of the persons mentioned in the resolution.

209D. (1) The committee of inspection, or if there is no such committee, the creditors, may fix the remuneration to be paid to the liquidator or liquidators, and where the remuneration is not so fixed, it shall be determined by the Court.

(2) On the appointment of a liquidator, all the powers of the directors shall cease, except so far as the committee of inspection, or if there is no such committee, the creditors, sanction the continuance thereof.

209E. If a vacancy occurs, by death, resignation or otherwise, in the office of a liquidator, other than a liquidator appointed by, or by the direction of, the Court, the creditors may fill the vacancy.

209F. The provisions of section 208C shall apply in the case of a creditors' voluntary winding up as in the case of a members' voluntary winding up, with the modification that the powers of the liquidator under the said section shall not be exercised except with the sanction either of the Court or of the committee of inspection.

209G. (1) In the event of the winding up continuing for more than one year, the liquidator shall summon a general meeting of the company and a meeting of creditors at the end of the first year from the commencement of the winding up, and of each succeeding year or as soon thereafter as may be convenient, and shall lay before the meetings an account of his acts and dealings and of the conduct of the winding up during the preceding year and a statement in the prescribed form containing the prescribed particulars with respect to the position of the winding up.

(2) If the liquidator fails to comply with this section, he shall be liable to a fine not exceeding one hundred rupees.

209H. (1) As soon as the affairs of the company are fully wound up, the liquidator shall make up an account of the winding up showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon shall call a general meeting of the company and a meeting of the creditors for the purpose of laying the account before the meetings and giving any explanation thereof.

(2) Each such meeting shall be called by advertisement specifying the time, place and object thereof and published one month at least before the meeting in the manner specified in sub-section (1) of section 206 for the publication of a notice under that sub-section.

(3) Within one week after the date of the meetings, or, if the meetings are not held on the same day, after the date of the later meeting, the liquidator shall send to the registrar a copy of the account, and shall
make a return to him of the holding of the meetings and of their dates, and if the copy is not sent or the return is not made in accordance with this subsection the liquidator shall be liable to a fine not exceeding fifty rupees for every day during which the default continues:

Provided that, if a quorum (which for the purposes of this section shall be two persons) is not present at either such meeting, the liquidator shall, in lieu of such return, make a return that the meeting was duly summoned and that no quorum was present thereat, and upon such a return being made the provisions of this sub-section as to the making of the return shall, in respect of that meeting, be deemed to have been complied with.

(4) The registrar on receiving the account and in respect of each such meeting either of the returns mentioned in sub-section (3) shall forthwith register them, and on the expiration of three months from the registration thereof the company shall be deemed to be dissolved:

Provided that the Court may, on the application of the liquidator or of any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the Court thinks fit.

(5) It shall be the duty of the person on whose application an order, of the Court under this section is made, within ten days after the making of the order, to deliver to the registrar a certified copy of the order for registration, and if that person fails to do so he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

Members' or creditors' voluntary winding up.

Provisions applicable to every voluntary winding up.

210. The provisions contained in sections 211 to 218, both inclusive, shall apply to every voluntary winding up, whether a members' or a creditors' winding up.

211. Subject to the provisions of this Act as to preferential payments, the property of a company shall, on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the company.

Powers and duties of liquidator in voluntary winding up.

212. (1) The liquidator may—

(a) in the case of a members' voluntary winding up, with the sanction of an extraordinary resolution of the company, and in the case of a creditors' voluntary winding up, with the sanction of either the Court or the committee of inspection, exercise any of the powers given by clauses (d), (e), (f) and (k) of section 179 to a liquidator in a winding up. The exercise by the liquidator of the powers given by this clause shall be subject to the control of the Court and any creditor or contributory may apply to the Court with respect to any exercise or proposed exercise of any of these powers;

(b) without the sanction referred to in clause (a), exercise any of the powers by this Act given to the liquidator in a winding up by the Court;
S. 215] ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936) 103

(c) exercise the power of the Court under this Act of settling a list of contributories, and the list of contributories shall be prima facie evidence of the liability of the persons named therein to be contributories;

(d) exercise the power of the Court of making calls;

(e) summon general meetings of the company for the purpose of obtaining the sanction of the company by special or extraordinary resolution or for any other purpose he may think fit.

(2) The liquidator shall pay the debts of the company and shall adjust the rights of the contributories among themselves.

(3) When several liquidators are appointed, any power given by this Act may be exercised by such one or more of them as may be determined at the time of their appointment, or, in default of such determination, by any number not less than two.

213. (1) If from any cause whatever there is no liquidator in voluntary winding up, the Court may appoint a liquidator.

(2) The Court may, on cause shown, remove a liquidator and appoint another liquidator.

214. (1) The liquidator shall, within twenty-one days after his appointment, deliver to the registrar for registration a notice of his appointment in the form prescribed.

(2) If the liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

215. (1) Any arrangement entered into between a company about to be, or in the course of being, wound up and its creditors shall, subject to the right of appeal under this section, be binding on the company if sanctioned by an extraordinary resolution, and on the creditors if acceded to by three-fourths in number and value of the creditors.

(2) Any creditor or contributory may, within three weeks from the completion of the arrangement, appeal to the Court against it, and the Court may thereupon, as it thinks just, amend, vary or confirm the arrangement.

216. (1) The liquidator or any contributory or creditor may apply to the Court to determine any question arising in the winding up of a company, or to exercise, as respects the enforcing of calls, staying of proceedings or any other matter, all or any of the powers which the Court might exercise if the company were being wound up by the Court.

(2) The liquidator or any creditor or contributory may apply for an order setting aside any attachment, distress or execution put into force against the estate or effects of the company after the commencement of the winding up.

Such application shall be made—

(a) if the attachment, distress or execution is levied or put into force by a High Court, to such High Court, and
(b) if the attachment, distress or execution is levied or put into force in any other Court, to the Court having jurisdiction to wind up the company.

(3) The Court, if satisfied that the determination of the question or the required exercise of power or the order applied for will be just and beneficial, may accord wholly or partially to the application on such terms and conditions as it thinks fit, or may make such other order on the application as it thinks just.

217. All costs, charges and expenses properly incurred in the winding up, including the remuneration of the liquidator, shall, subject to the rights of secured creditors, if any, be payable out of the assets of the company in priority to all other claims.

218. The winding up of a company shall not bar the right of any creditor or contributory to have it wound up by the Court, but in the case of an application by a contributory, the Court must be satisfied that the rights of the contributories will be prejudiced by a voluntary winding up.

219. Where a company is being wound up voluntarily, and an order is made for winding up by the Court, the Court may, if it thinks fit, by the same or any subsequent order, provide for the adoption of all or any of the proceedings in the voluntary winding up.

Winding up subject to supervision of Court.

220. A petition for the continuance of a voluntary winding up subject to supervision of the Court shall, for the purpose of giving jurisdiction to the Court over suits, be deemed to be a petition for winding up by the Court.

221. When a company has by special or extraordinary resolution resolved to wind up voluntarily, the Court may make an order that the voluntary winding up shall continue, but subject to such supervision of the Court, and with such liberty for creditors, contributories or others to apply to the Court, and generally on such terms and conditions as the Court thinks just.

222. The Court may have regard to wishes of creditors and contributories.

223. Where an order is made for a winding up subject to supervision, the Court may by the same or any subsequent order appoint any additional liquidator.

* The present ss. 207 to 218 were substituted for the original ss. 207 to 219, both included, by Act XXII of 1898.
5. 228. ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936) 105

(2) A liquidator appointed by the Court under this section shall have the same powers, be subject to the same obligations, and in all respects stand in the same position as if he had been appointed by the company.

(3) The Court may remove any liquidator so appointed by the Court or any liquidator continued under the supervision order, and fill any vacancy occasioned by the removal, or by death or resignation.

225. (1) Where an order is made for a winding up subject to supervision, the liquidator may, subject to any restrictions imposed by the Court, exercise all his powers, without the sanction or intervention of the Court, in the same manner as if the company were being wound up altogether voluntarily.

(2) Except as provided in sub-section (1), and save for the purposes of section 196, any order made by the Court for a winding up subject to the supervision of the Court shall for all purposes, including the staying of suits and other proceedings, be deemed to be an order of the Court for winding up the company by the Court, and shall confer full authority on the Court to make calls, or to enforce calls made by the liquidators, and to exercise all other powers which it might have exercised if an order had been made for winding up the company altogether by the Court.

(3) In the construction of the provisions whereby the Court is empowered to direct any act or thing to be done to or in favour of the official liquidator, the expression "official liquidator" shall be deemed to mean the liquidator conducting the winding up subject to the supervision of the Court.

226. Where an order has been made for the winding up of a company subject to supervision, and an order is afterwards made for winding up by the Court, the Court may, by the certain cases of voluntary liquidators to office or official liquidators.

Avoidance of transfers, etc., after commencement of winding up.

227. (1) In the case of voluntary winding up every transfer of shares, except transfers made to or with the sanction of the liquidator, and every alteration in the status of the members of the company made after the commencement of the winding up shall be void.

(2) In the case of a winding up by or subject to the supervision of the Court, every disposition of the property (including actionable claims) of the company, and every transfer of shares, or alteration in the status of its members, made after the commencement of the winding up shall, unless the Court otherwise orders, be void.

228. In every winding up (subject in the case of insolvent companies to the application in accordance with the provisions of this Act of the law of insolvency) all debts payable on a contingency, and all claims against the company, present or future, certain or contingent, shall be admissible to proof against the company, a just estimate being made, so far as possible, of the value of such
229. In the winding up of an insolvent company, the same rules shall prevail and be observed with regard to the respective estates of persons adjudged insolvent; and all persons who in any such case would be entitled to prove for and receive dividends out of the assets of the company may come in under the winding up, and make such claims against the company as they respectively are entitled to by virtue of this section.

Preferential pay.

230. (1) In a winding up there shall be paid in priority to all other debts—

(a) all revenue, taxes, cesses and rates, whether payable to the Crown or to a local authority, due from the company at the date hereinafter mentioned and having become due and payable within the twelve months next before that date;

(b) all wages or salary of any clerk or servant in respect of service rendered to the company within the two months next before the said date, not exceeding one thousand rupees for each clerk or servant;

(c) all wages of any labourer or workman, not exceeding five hundred rupees for each, whether payable for time or piecework, in respect of services rendered to the company within the two months next before the said date;

(d) compensation payable under the Workmen's Compensation Act, 1923, in respect of the death or disablement of any officer or employee of the company;

(e) all sums due to any employee from a provident fund, a pension fund, a gratuity fund or any other fund for the welfare of the employees maintained by the company; and

(f) the expenses of any investigation held in pursuance of clause (iv) of section 138 of this Act.

(2) The foregoing debts shall—

(a) rank equally among themselves and be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportion; and

(b) so far as the assets of the company available for payment of general creditors are insufficient to meet them, have priority over the claims of holders of debentures under any floating charge created by the company, and be paid accordingly out of any property comprised in or subject to that charge.

(3) Subject to the retention of such sums as may be necessary for the costs and expenses of the winding up, the foregoing debts shall be discharged forthwith so far as the assets are sufficient to meet them.

(4) In the event of a landlord or other person distraining or having distrained on any goods or effects of the company within three months next before the date of a winding up order, the debts to which priority is given by
230A. (1) Where any part of the property of a company which is being wound up consists of land of any tenure burdened with onerous covenants, of shares or stock in companies, of unprofitable contracts or of any other property that is unsaleable, or not readily saleable, by reason of its binding the possessor thereof to the performance of any onerous act, or to the payment of any sum of money, the liquidator of the company, notwithstanding that he had endeavoured to sell or has taken possession of the property, or exercised any act of ownership in relation thereto, may, with the leave of the Court and subject to the provisions of this section, by writing signed by him, at any time within twelve months after the commencement of the winding up or such extended period as may be allowed by the Court, disclaim the property:

Provided that, where any such property has not come to the knowledge of the liquidator within one month after the commencement of the winding up, the power under this section of disclaiming the property may be exercised at any time within twelve months after he has become aware thereof or such extended period as may be allowed by the Court.

(2) The disclaimer shall operate to determine, as from the date of disclaimer, the rights, interest and liabilities of the company, and the property of the company, in or in respect of the property disclaimed, but shall not, except so far as is necessary for the purpose of releasing the company and the property of the company from liability, affect the rights or liabilities of any other person.

(3) The Court, before or on granting leave to disclaim, may require such notices to be given to persons interested, and impose such terms as a condition of granting leave, and make such other order in the matter as the Court thinks just.

(4) The liquidator shall not be entitled to disclaim any property under this section in any case where an application in writing has been made to him by any person interested in the company requiring him to decide whether he will or will not disclaim, and the liquidator has not, within a period of twenty-eight days after the receipt of the application, or such further period as may be allowed by the Court, given notice to the applicant that he intends to apply to the Court for leave to disclaim, and in the case of a contract, if the liquidator after such an application as aforesaid, does not within the said period or further period disclaim the contract, the company shall be deemed to have adopted it.

(5) The Court may, on the application of any person who is, as against the liquidator, entitled to the benefit or subject to the burden of a contract,
made with the company, make an order rescinding the contract on such terms as to payment by or to either party of damages for the non-performance of the contract, or otherwise as the Court thinks just, and any damages payable under the order to any such person may be proved by him as a debt in the winding up.

(6) The Court may, on an application by any person who either claims any interest in any disclaimed property or is under any liability not discharged by this Act in respect of any disclaimed property and on hearing any such persons as it thinks fit, make an order for the vesting of the property in or the delivery of the property to any persons entitled thereto, or to whom it may seem just that the property should be delivered by way of compensation for such liability as aforesaid, or a trustee for him, and on such terms as the Court thinks just, and on any such vesting order being made, the property comprised therein shall vest accordingly in the person therein named in that behalf without any conveyance or assignment for the purpose:

Provided that, where the property disclaimed is of a leasehold nature, the Court shall not make a vesting order in favour of any person claiming under the company whether as under-lessee or as mortgagee except upon the terms of making that person—

(a) subject to the same liabilities and obligations as those to which the company was subject under the lease at the commencement of the winding up, or

(b) if the Court thinks fit, subject only to the same liabilities and obligations as if the lease had been assigned to that person at that date;

and in either event (if the case so requires) as if the lease had comprised only the property comprised in the vesting order, and any mortgage or under-lessee declaring to accept a vesting order upon such terms shall be excluded from all interest in and security upon the property, and, if there is no person claiming under the company who is willing to accept an order upon such terms, the Court shall have power to vest the estate and interest of the company in the property in any person liable, either personally or as a representative character, and either alone or jointly with the company, to perform the lessee's covenants in the lease, freed and discharged from all estates, incumbrances and interests created therein by the company.

(7) Any person injured by the operation of a disclaimer under this section shall be deemed to be a creditor of the company to the amount of the injury, and may accordingly prove the amount as a debt in the winding up.

231. (1) Any transfer, delivery of goods, payment, execution or other act relating to property which would, if made or done by or against an individual, be deemed in his insolvency a fraudulent preference, shall, if made or done by or against a company, be deemed, in the event of its being wound up, a fraudulent preference of its creditors, and be invalid accordingly.

(2) For the purposes of this section the presentation of a petition for winding up in the case of a winding up by or subject to the supervision of the Court, and a resolution for winding up in the case of a voluntary winding up, shall be deemed to correspond with the act of insolvency in the case of an individual.

(3) Any transfer or assignment by a company of all its property to trustees for the benefit of all its creditors shall be void.
232. (1) Where any company is being wound up by or subject to the supervision of the Court, any attachment, distress or execution put in force without leave of the Court against the estate or effects or any sale held without leave of the Court of any of the properties of the company after the commencement of the winding up shall be void.

(2) Nothing in this section applies to proceedings by the Government.

233. Where a company is being wound up a floating charge on the undertaking or property of the company created within three months of the commencement of the winding up shall, unless it is proved that the company immediately after the creation of the charge was solvent, be invalid except to the amount of any cash paid to the company at the time of, or subsequently to, the creation of, and in consideration for, the charge, together with interest on that amount at the rate of five per cent. per annum.

234. (1) The liquidator may, with the sanction of the Court when the company is being wound up by the Court or subject to the supervision of the Court, and with the sanction of an extraordinary resolution of the company in the case of a voluntary winding up, do the following things or any of them:

(i) pay any classes of creditors in full;
(ii) make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging themselves to have any claim, present or future, whereby the company may be rendered liable;
(iii) compromise all calls and liabilities to calls, debts and liabilities capable of resulting in debts, and all claims, present or future, certain or contingent subsisting or supposed to subsist between the company and a contributor or alleged contributor or other debtor or person apprehending liability to the company, and all questions in any way relating to or affecting the assets or the winding up of the company, on such terms as may be agreed, and take any security for the discharge of any such call, debt, liability or claim, and give a complete discharge in respect thereof.

(2) The exercise by the liquidator of the powers of this section shall be subject to the control of the Court, and any creditor or contributory may apply to the Court with respect to any exercise or proposed exercise of any of these powers.

235. (1) Where, in the course of winding up a company, it appears that any person who has taken part in the formation or promotion of the company, or any past or present director, manager or liquidator, or any officer of the company has misapplied or retained or become liable or accountable for any money or property of the company, or been guilty of any misfeasance or breach of trust in relation to the company, the Court may, on the application of the liquidator, or of any creditor or contributory made within three years from the date of the first appointment of any such person, assess damages against him or her and cause the same to be recovered from the assets of the company.
liquidator in the winding up or of the misapplication, retainer, misfeasance or breach of trust, as the case may be, whichever is longer, examine into the conduct of the promoter, director, manager, liquidator or officer, and compel him to re-pay or restore the money or property or any part thereof respectively with interest at such rate as the Court thinks just, or to contribute such sum to the assets of the company by way of compensation in respect of the misapplication, retainer, misfeasance or breach of trust as the Court thinks just.

(2) This section shall apply notwithstanding that the offence is one for which the offender may be criminally responsible.

236. If any director, manager, officer or contributory of any company being wound up destroys, mutilates, alters or falsifies or fraudulently secretes any books, papers or securities, or makes, or is privy to the making of any false or fraudulent entry in any register book of account or document belonging to the company with intent to defraud or deceive any person, he shall be liable to imprisonment for a term which may extend to seven years, and shall also be liable to fine.

237. (1) If it appears to the Court in the course of a winding up by, or subject to the supervision of, the Court that any past or present director, manager or other officer, or any member of the company has been guilty of any offence in relation to the company for which he is criminally liable, the Court may, either on the application of any person interested in the winding up or of its own motion, direct the liquidator either himself to prosecute the offender or to refer the matter to the registrar.

(2) If it appears to the liquidator in the course of a voluntary winding up that any past or present director, manager or other officer, or any member of the company has been guilty of any offence in relation to the company for which he is criminally liable, he shall forthwith report the matter to the registrar and shall furnish to him such information and give to him such access to and facilities for inspecting and taking copies of any documents, being information or documents in the possession or under the control of the liquidator relating to the matter in question, as he may require.

(3) Where any report is made under sub-section (2) to the registrar, he may, if he thinks fit, refer the matter to the Local Government for further inquiry, and the Local Government shall thereupon investigate the matter and, if they think it expedient, apply to the Court for an order confering on any person designated by the Local Government for the purpose with respect to the company concerned all such powers of investigating the affairs of the company as are provided by this Act in the case of a winding up by the Court.

(4) If on any report to the registrar under sub-section (2) it appears to him that the case is not one in which proceedings ought to be taken by him, he shall inform the liquidator accordingly, and thereafter, subject to the previous sanction of the Court, the liquidator may himself take proceedings against the offender.

(5) If it appears to the Court in the course of a voluntary winding up that any past or present director, manager or other officer, or any member of the company has been guilty as aforesaid, and that no report with respect to the matter has been made by the liquidator to the registrar, the Court may,
on the application of any person interested in the winding up or of its own motion, direct the liquidator to make such a report, and on a report being made accordingly, the provisions of this section shall have effect as though the report has been made in pursuance of the provisions of sub-section (2).

(6) If, where any matter is reported or referred to the registrar under this section, he considers that the case is one in which a prosecution ought to be instituted, he shall place the papers before the Advocate General or the public prosecutor and if advised to do so institute proceedings, and it shall be the duty of the liquidator and of every officer and agent of the company past and present (other than the defendant in the proceedings) to give him all assistance in connection with the prosecution which he is reasonably able to give:

Provided that no prosecution shall be undertaken without first giving the accused person an opportunity of making a statement in writing to the registrar and of being heard thereon.

For the purposes of this sub-section, the expression 'agent' in relation to a company shall be deemed to include any banker or legal adviser of the company and any person employed by the company as auditor, whether that person is or is not an officer of the company.

(7) If any person fails or neglects to give assistance in manner required by sub-section (6), the Court may, on the application of the registrar, direct that person to comply with the requirements of the said sub-section, and where any such application is made with respect to a liquidator, the Court may, unless it appears that the failure or neglect to comply was due to the liquidator not having in his hands sufficient assets of the company to enable him so to do, direct that the costs of the application shall be borne by the liquidator personally.

238. If any person, upon any examination upon oath authorised under this Act, or in any affidavit, deposition or solemn affirmation, or upon the winding up of any company under this Act, or otherwise in or about any matter arising under this Act, intentionally gives false evidence, he shall be liable to imprisonment for a term which may extend to seven years, and shall also be liable to fine.

238A. (1) If any person, being a past or present director, managing agent, manager or other officer of a company which at the time of the commission of the alleged offence is being wound up, whether by or under the supervision of the Court or voluntarily, or is subsequently ordered to be wound up under this Act, or otherwise in or about the winding up of any company under this Act, or otherwise in or about any matter arising under this Act, intentionally gives false evidence, he shall be liable to imprisonment for a term which may extend to seven years, and shall also be liable to fine.

(a) does not to the best of his knowledge and belief fully and truly discover to the liquidator all the property, real and personal, of the company, and how and to whom and for what consideration and when the company disposed of any part thereof, except such part as has been disposed of in the ordinary way of the business of the company; or

(b) does not deliver up to the liquidator, or as he directs, all such part of the real and personal property of the company as is in his custody or under his control, and which he is required by law to deliver up; or
(c) does not deliver up to the liquidator, or as he directs, all books and papers in his custody or under his control belonging to the company and which he is required by law to deliver up; or

(d) within twelve months next before the commencement of the winding up or at any time thereafter conceals any part of the property of the company to the value of one hundred rupees or upwards or conceals any debt due to or from the company; or

(e) within twelve months next before the commencement of the winding up or at any time thereafter fraudulently removes any part of the property of the company to the value of one hundred rupees or upwards; or

(f) makes any material omission in any statement relating to the affairs of the company; or

(g) knowing or believing that a false debt has been proved by any person under the winding up, fails for the period of a month to inform the liquidator thereof; or

(h) after the commencement of the winding up prevents the production of any book or paper affecting or relating to the property or affairs of the company; or

(i) within twelve months next before the commencement of the winding up or at any time thereafter, conceals, destroys, mutilates or falsifies, or is privy to the concealment, destruction, mutilation or falsification of any book or paper affecting or relating to the property or affairs of the company; or

(j) within twelve months next before the commencement of the winding up or at any time thereafter makes or is privy to the making of any false entry in any book or paper affecting or relating to the property or affairs of the company; or

(k) within twelve months next before the commencement of the winding up or at any time thereafter fraudulently parts with, alters or makes any omission in, or is privy to the fraudulent parting with, altering or making any omission in, any document affecting or relating to the property or affairs of the company; or

(l) after the commencement of the winding up or at any meeting of the creditors of the company within twelve months next before the commencement of the winding up, attempts to account for any part of the property of the company by fictitious losses or expenses; or

(m) has within twelve months next before the commencement of the winding up or at any time thereafter, by any false representation or other fraud, obtained any property for or on behalf of the company on credit which the company does not subsequently pay for; or

(n) within twelve months next before the commencement of the winding up or at any time thereafter, under the false pretence that the company is carrying on its business, obtains on credit for or on behalf of the company, any property which the company does not subsequently pay for; or
S. 241]  

**ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936)**  

(a) within twelve months next before the commencement of the winding up or at any time thereafter pawns, pledges or disposes of any property of the company which has been obtained on credit and has not been paid for, unless such pawning, pledging or disposing is in the ordinary way of the business of the company; or

(p) is guilty of any false representation or other fraud for the purpose of obtaining the consent of the creditors of the company or any of them to an agreement with reference to the affairs of the company or to the winding up;

he shall be punishable, in the case of the offences mentioned respectively in clauses (m), (n) and (o) of this sub-section, with imprisonment for a term not exceeding five years; and, in the case of any other offence, with imprisonment for a term not exceeding two years:

Provided that it shall be a good defence to a charge under any of clauses (b), (c), (d), (f), (n) and (o), if the accused proves that he had no intent to defraud, and to a charge under any of clauses (a), (h), (i) and (j), if he proves that he had no intent to conceal the state of affairs of the company or to defeat the law.

(2) Where any person pawns, pledges or disposes of any property in circumstances which amount to an offence under clause (o) of sub-section (1) every person who takes in pawn or pledge or otherwise receives the property knowing it to be pawned, pledged or disposed of in such circumstances as aforesaid shall be punishable with imprisonment for a term not exceeding three years.

239. (1) Where by this Act the Court is authorized in relation to winding up to have regard to the wishes of creditors or contributories, as proved to it by any sufficient evidence, the Court may, if it thinks fit for the purpose of ascertaining those wishes, direct meetings of the creditors or contributories to be called, held and conducted in such manner as the Court directs, and may appoint a person to act as chairman of any such meeting and to report the result thereof to the Court.

(2) In the case of creditors, regard shall be had to the value of each creditor's debt.

(3) In the case of contributories, regard shall be had to the number of votes conferred on each contributory by the articles.

240. Where any company is being wound up, all documents of the company and of the liquidator shall, as between the contributories of the company, be prima facie evidence of the truth of all matters purporting to be therein recited.

241. After an order for a winding up by or subject to the supervision of the Court, the Court may make such order for inspection by creditors and contributories of the company of its documents as the Court thinks just, and any documents in the possession of the company may be inspected by creditors or contributories accordingly, but not further or otherwise.
242. (1) When a company has been wound up and is about to be dissolved, the documents of the company and of the liquidators may be disposed of as follows (that is to say):—

(a) in the case of a winding up by or subject to the supervision of the Court, in such way as the Court directs:

(b) in the case of a voluntary winding up, in such way as the company by extraordinary resolution directs.

(2) After three years from the dissolution of the company, no responsibility shall rest on the company or the liquidators, or any person to whom the custody of the documents has been committed, by reason of the same not being forthcoming to any person claiming to be interested therein.

243. (1) Where a company has been dissolved, the Court may, at any time within two years of the date of the dissolution, on an application being made for the purpose by the liquidator of the company or by any other person who appears to the Court to be interested, make an order, upon such terms as the Court thinks fit, declaring the dissolution to have been void, and thereupon such proceedings may be taken as might have been taken if the company had not been dissolved.

(2) It shall be the duty of the person on whose application the order was made, within twenty-one days after the making of the order, to file with the registrar a certified copy of the order, and if that person fails so to do, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

244. (1) Where a company is being wound up, if the winding up is not concluded within one year after its commencement, the liquidator shall, once in each year and at intervals of not more than twelve months, until the winding up is concluded, file in Court or with the registrar, as the case may be, a statement in the prescribed form and containing the prescribed particulars with respect to the proceedings in and position of the liquidation.

(2) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled, by himself or by his agent, at all reasonable times, on payment of the prescribed fee, to inspect the statement, and to receive a copy thereof or extract therefrom; but any person untruthfully so stating himself to be a creditor or contributory shall be deemed to be guilty of an offence under section 182 of the Indian Penal Code, and shall be punishable accordingly on the application of the liquidator.

(3) If a liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding five hundred rupees for each day during which the default continues.

(4) When the statement is filed in Court a copy shall simultaneously be filed with the registrar and shall be kept by him along with the other records of the company.
244. (1) Every liquidator of a company which is being wound up by the Court shall, in such manner and at such times as may be prescribed, pay the money received by him into a scheduled bank as defined in clause (e) of section 2 of the Reserve Bank of India Act, 1934:

Provided that if the Court is satisfied that for the purpose of carrying on the business for the company or of obtaining advances or for any other reason it is for the advantage of the creditors or contributories that the liquidator should have an account with any other bank, the Court may authorise the liquidator to make his payments into or out of such other bank as the Court may select and thereupon those payments shall be made in the prescribed manner.

(2) If any such liquidator at any time retains for more than ten days a sum exceeding five hundred rupees or such other amount as the Court may in any particular case authorise him to retain, then, unless he explains the retention to the satisfaction of the Court, he shall pay interest on the amount so retained in excess at the rate of twenty per cent, per annum and shall be liable to disallowance of all or such part of his remuneration as the Court may think just and to be removed from his office by the Court and shall be liable to pay any expenses occasioned by reason of his default.

(3) A liquidator of a company which is being wound up shall open a special banking account and pay all sums received by him as liquidator into such account.

245. (1) Any affidavit required to be sworn under the provisions of this Part may be sworn in British India, Court or person before whom affidavit may be sworn, before any Court, Judge or person lawfully authorized to take and receive affidavits, or in any part of India other than British India before any Court authorized or continued by the Governor General in Council, or in any place outside His Majesty's dominions before any of His Majesty's Consuls or Vice-Consuls.

(2) All Courts, Judges, Justices, Commissioners, and persons acting judicially in British India shall take judicial notice of the seal or stamp or signature (as the case may be) of any such Court, Judge, person, Consul, or Vice-Consul, attached, appended or subscribed to any such affidavit or to any other document to be used for the purposes of this Part.

246. (1) The High Court may, from time to time, make rules consistent with this Act and with the Code of Civil Procedure, 1908, concerning the mode of proceedings to be had for winding up a company in such Court and in the Courts subordinate thereto, and for voluntary winding up (both members and creditors), for the holding of meetings of creditors and members in connection with proceedings under section 153 of this Act, and for giving effect to the provisions hereinafter contained as to the reduction of the capital and the subdivisions of the shares of a company, and generally for all applications to be made to the Court under the provisions of this Act, and shall make rules providing for all matters relating to the winding up of companies which, by this Act, are to be prescribed.
Without prejudice to the generality of the foregoing power, the High Court may by such rules enable or require all or any of the powers and duties conferred and imposed on the Court by this Act in respect of the matters following, to be exercised or performed by the official liquidator, and subject to the control of the Court, that is to say, the powers and duties of the Court in respect of—

(a) holding and conducting meetings to ascertain the wishes of creditors and contributories;
(b) settling lists of contributories and rectifying the register of members where required, and collecting and applying the assets;
(c) requiring delivery of property or documents to the liquidator;
(d) making calls;
(e) fixing a time within which debts and claims must be proved.

Provided that the official liquidator shall not, without the special leave of the Court, rectify the register of members, and shall not make any call without the special leave of the Court.

Removal of defunct Companies from Register.

247. (1) Where the registrar has reasonable cause to believe that a company is not carrying on business or in operation, he shall send to the company by post a letter inquiring whether the company is carrying on business or in operation.

(2) If the registrar does not within one month of sending the letter receive any answer thereto, he shall within fourteen days after the expiration of the month send to the company by post a registered letter referring to the first letter, and stating that no answer thereto has been received and that, if an answer is not received to the second letter within one month from the date thereof, a notice will be published in the local official Gazette with a view to striking the name of the company off the register.

(3) If the registrar either receives an answer from the company to the effect that it is not carrying on business or in operation, or does not within one month after sending the second letter receive any answer, he may publish in the local official Gazette, and send to the company by post a notice that, at the expiration of three months from the date of that notice, the name of the company mentioned therein will, unless cause is shown to the contrary, be struck off the register and the company will be dissolved.

(4) If, in any case where a company is being wound up, the registrar has reasonable cause to believe either that no liquidator is acting or that the affairs of the company are fully wound up, and the returns required to be made by the liquidator have not been made for a period of six consecutive months after notice by the registrar demanding the returns has been sent by post to the company, or to the liquidator at his last known place of business, the registrar may publish in the local official Gazette and send to the company a like notice as is provided in the last preceding sub-section.

(5) At the expiration of the time mentioned in the notice the registrar may, unless cause to the contrary is previously shown by the company, strike its name off the register, and shall publish notice thereof in the local
official Gazette, and, on the publication in the local official Gazette of this
notice, the company shall be dissolved: Provided that the liability (if any) of
every director and member of the company shall continue and may be
enforced as if the company had not been dissolved.

(6) If a company or any member or creditor thereof feels aggrieved by
the company having been struck off the register, the Court, on the application
of the company or member or creditor, may, if satisfied that the company was
at the time of the striking off carrying on business or in operation, or other­
wise that it is just that the company be restored to the register, order the
name of the company to be restored to the register, and thereafter the com­
pany shall be deemed to have continued in existence as if its name had not
been struck off; and the Court may by the order give such directions and
make such provisions as seem just for placing the company and all other
persons in the same position as nearly as may be as if the name of the
company had not been struck off.

(7) A letter or notice under this section may be addressed to the
company at its registered office, or, if no office has been registered, to the care
of some director, manager or other officer of the company, or, if there is no
director, manager or other officer of the company whose name and address
are known to the registrar, may be sent to each of the persons who subscribed
the memorandum, addressed to him at the address mentioned in the memo­
randum.

PART VI.

REGISTRATION OFFICE AND FEES.

248. (1) For the purposes of the registration of companies under this
Registration offices. Act, there shall be offices at such places as the Local
Government thinks fit, and no company shall be register­
ed except at an office within the province in which, by the memorandum, the
registered office of the company is declared to be established.

(2) The Local Government may appoint such registrars and assistant
registrars as it thinks necessary for the registration of companies under this
Act, and may make regulations with respect to their duties.

(3) The salaries of the persons appointed under this section shall be
fixed by the Local Government.

(4) The Local Government may direct a seal or seals to be prepared
for the authentication of documents required for or connected with the regis­
tration of companies.

(5) Any person may inspect the documents kept by the registrar on
payment of such fees as may be appointed by the Local Government, not
exceeding one rupee for each inspection; and any person may require a certificate
of the incorporation of any company, or a copy or extract of any other
document or any part of any other document, to be certified by the registrar
on payment for the certificate, certified copy or extract, of such fees as the
Local Government may appoint, not exceeding three rupees for a certificate
of incorporation, and not exceeding six annas for every hundred words or
fractional part thereof required to be copied.

(6) Whenever any act is by this Act directed to be done to or by the
registrar it shall, until the Local Government otherwise directs, be done to
or by the existing registrar of joint-stock companies or in his absence to or by such person as the Local Government may for the time being authorise; but, in the event of the Local Government altering the constitution of the existing registry offices or any of them, any such act shall be done to or by such officer and at such place with reference to the local situation of the registered offices of the companies to be registered as the Local Government may appoint.

249. (1) There shall be paid to the registrar in respect of the several matters mentioned in Table B in the First Schedule the several fees therein specified, or such smaller fees as the Governor General in Council may direct.

(2) All fees paid to the registrar in pursuance of this Act shall be accounted for to the Crown.

249A. (1) If a company, having made default in complying with any provision of this Act which requires it to file with, deliver or send to the registrar any return, account or other document, or to give notice to him of any matter, fails to make good the default within fourteen days after the service of a notice on the company requiring it to do so, the Court may, on an application made to the Court by any member or creditor of the company or by the registrar, make an order directing the company and any officer thereof to make good the default within such time as may be specified in the order.

(2) Any such order may provide that all costs of and incidental to the application shall be borne by the company or by any officers of the company responsible for the default.

(3) Nothing in this section shall be taken to prejudice the operation of any enactment imposing penalties on a company or its officers in respect of any such default as aforesaid.

PART VII.

APPLICATION OF ACT TO COMPANIES FORMED AND REGISTERED UNDER FORMER COMPANIES ACTS.

250. In the application of this Act to existing companies, it shall apply in the same manner in the case of a limited company, other than a company limited by guarantee, as if the company had been formed and registered under this Act as a company limited by shares; in the case of a company limited by guarantee, as if the company had been formed and registered under this Act as a company limited by guarantee; and, in the case of a company other than a limited company, as if the company had been formed and registered under this Act as an unlimited company:

Provided that—

(1) nothing in Table A in the First Schedule shall apply to a company formed and registered under Act XIX of 1857 and Act VII of 1865, or either of them, or under the Indian Companies Act, 1865, or the Indian Companies Act, 1882.
(2) reference, express or implied, to the date of registration shall be construed as a reference to the date at which the company was registered under Act No. XIX of 1857 and Act No. VII of 1860, or either of them, or under the Indian Companies Act, 1866, or the Indian Companies Act, 1882, as the case may be.

251. This Act shall apply to every company registered but not formed under Act No. XIX of 1857 and Act No. VII of 1860 or either of them, or under the Indian Companies Act, 1866, or the Indian Companies Act, 1882, in the same manner as it is hereinafter in this Act declared to apply to companies registered but not formed under this Act.

Provided that reference, express or implied, to the date of registration shall be construed as a reference to the date at which the company was registered under the said Acts or any of them.

252. A company registered under Act XIX of 1857 and Act VII of 1860 or either of them may cause its shares to be transferred in the manner hitherto in use, or in such other manner as the company may direct.

PART VIII.

COMPANIES AUTHORISED TO REGISTER UNDER THIS ACT.

Companies capable of being registered.

253. (1) With the exceptions and subject to the provisions mentioned and contained in this section—

(i) any company consisting of seven or more members, which was in existence on the first day of May eighteen hundred and eighty-two, including any company registered under Act No. XIX of 1857 and Act No. VII of 1860 or either of them, and

(ii) any company formed after the date aforesaid whether before or after the commencement of this Act, in pursuance of any Act of Parliament or Act of the Governor General in Council other than this Act, or of Letters Patent, or being otherwise duly constituted according to law, and consisting of seven or more members;

may at any time register under this Act as an unlimited company or as a company limited by shares, or as a company limited by guarantee; and the registration shall not be invalid by reason that it has taken place with a view to the company being wound up:

(2) Provided as follows:—

(a) a company having the liability of its members limited by Act of Parliament or Act of the Governor General in Council or by Letters Patent, and not being a joint-stock company as hereinafter defined, shall not register in pursuance of this section;

(b) a company having the liability of its members limited by Act of Parliament or Act of the Governor General in Council or by Letters Patent shall not register in pursuance of this section as an unlimited company or as a company limited by guarantee.
(c) a company that is not a joint-stock company as hereinafter defined shall not register in pursuance of this section as a company limited by shares;

(d) a company shall not register in pursuance of this section without the assent of a majority of such of its members as are present in person or by proxy (in case where proxies are allowed by the articles) at a general meeting summoned for the purpose;

(e) where a company not having the liability of its members limited by Act of Parliament or Act of the Governor General in Council or by Letters Patent is about to register as a limited company, the majority required to assent as aforesaid shall consist of not less than three fourths of the members present in person or by proxy at the meeting;

(f) where a company is about to register as a company limited by guarantee, the assent to its being so registered shall be accompanied by a resolution declaring that each member undertakes to contribute to the assets of the company, in the event of the company being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceased to be a member, and of the costs and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding a specified amount.

(3) In computing any majority under this section when a poll is demanded regard shall be had to the number of votes to which each member is entitled according to the articles.

4. A company registered under the Indian Companies Act, 1882, shall not be registered in pursuance of this section.

254. For the purposes of this Part as far as relates to registration of joint-stock companies as companies limited by shares, a joint-stock company means a company having a permanent paid-up or nominal share capital of fixed amount divided into shares, also of fixed amount, or held and transferable as stock, or divided and held partly in one way and partly in the other, and formed on the principle of having for its members the holders of those shares or that stock, and no other persons; and such a company, when registered with limited liability under this Act, shall be deemed to be a company limited by shares.

255. Before the registration in pursuance of this Part of a joint-stock company, there shall be delivered to the registrar the following documents (that is to say):

1. a list showing the names, addresses and occupations of all persons who on a day named in the list, not being more than six clear days before the day of registration, were members of the company, with the addition of the shares or stock held by them respectively, distinguishing, in cases where the shares are numbered, each share by its number;
(2) a copy of any Act of Parliament, Act of the Governor General in Council, Royal Charter, Letters Patent, deed of settlement, contract of co-partnership or other instrument constituting or regulating the company; and

(3) if the company is intended to be registered as a limited company, a statement specifying the following particulars (that is to say):—

(a) the nominal share capital of the company and the number of shares into which it is divided or the amount of stock of which it consists;

(b) the number of shares taken and the amount paid on each share;

(c) the name of the company, with the addition of the word "Limited" as the last word thereof; and

(d) in the case of a company intended to be registered as a company limited by guarantee, the resolution declaring the amount of the guarantee.

Requirements for registration by other than joint-stock companies.

256. Before the registration in pursuance of this Act of any company not being a joint-stock company, there shall be delivered to the registrar—

(1) a list showing the names, addresses and occupations of the directors of the company; and

(2) a copy of any Act of Parliament, Act of the Governor General in Council, Letters Patent, deed of settlement, contract of co-partnership or other instrument constituting or regulating the company; and

(3) in the case of a company intended to be registered as a company limited by guarantee, a copy of the resolution declaring the amount of the guarantee.

257. The list of members and directors and any other particulars relating to the company required to be delivered to the registrar shall be duly verified by the declaration of two or more directors or other principal officers of the company.

258. The registrar may require such evidence as he thinks necessary for the purpose of satisfying himself whether any company proposing to be registered is or is not a joint-stock company as hereinbefore defined.

259. (1) Where a banking company, which was in existence on the first day of May eighteen hundred and eighty-two, proposes to register as a limited company, it shall, at least thirty days before so registering, give notice of its intention to register to every person who has a banking account with the company, either by delivery of the notice to him, or by posting it to him at, or delivering it at, his last known address.
(2) If the company omits to give the notice required by this section, then as between the company and the person for the time being interested in the account in respect of which the notice ought to have been given, and as far as respects the account down to the time at which notice is given, but not further or otherwise, the certificate of registration with limited liability shall have no operation.

260. No fees shall be charged in respect of the registration in pursuance of this Part of a company if it is not registered as a limited company, or if before its registration as a limited company the liability of the shareholders was limited by some Act of Parliament or Act of the Governor General in Council or by Letters Patent.

Addition of "Limited" to name.

261. When a company registers in pursuance of this Part with limited liability, the word "Limited" shall form and be registered as part of its name.

262. On compliance with the requirements of this Part with respect to registration, and on payment of such fees, if any, as are payable under Table B in the First Schedule, the registrar shall certify under his hand that the company applying for registration is incorporated as a company under this Act, and in the case of a limited company that it is limited, and thereupon the company shall be incorporated, and shall have perpetual succession and a common seal.

263. All property, moveable and immovable, including all interests and rights in, to and out of property, moveable and immovable, and including obligations and actionable claims as may belong to or be vested in a company at the date of its registration in pursuance of this Part, shall, on registration pass to and vest in the company as incorporated under this Act for all the estate and interest of the company therein.

264. The registration of a company in pursuance of this Part shall not affect the rights or liabilities of the company in respect of any debt or obligation incurred or any contract entered into, by, to, with, or on behalf of, the company before registration.

265. All suits and other legal proceedings which at the time of the registration of a company in pursuance of this Part are pending by or against the company, or the public officer or any member thereof, may be continued in the same manner as if the registration had not taken place; nevertheless execution shall not issue against the effects of any individual member of the company on any decree or order obtained in any such suit or proceeding; but, in the event of the property and effects of the company being insufficient to satisfy the decree or order, an order may be obtained for winding up the company.

Effect of registration under Act.

266. When a company is registered in pursuance of this Part,—
(i) all provisions contained in any Act of Parliament, Act of the Governor General in Council, deed of settlement, contract of co-partnership, Letters Patent, or other instrument constituting or regulating the company, including, in the case of a company registered as a company limited by guarantee, the resolution declaring the amount of the guarantee, shall be deemed to be conditions and regulations of the company, in the same manner and with the same incidence as if so much thereof as would, if the company had been formed under this Act, have been required to be inserted in the memorandum, were contained in a registered memorandum, and the residue thereof were contained in registered articles;

(ii) all the provisions of this Act shall apply to the company and the members, contributories and creditors thereof, in the same manner in all respects as if it had been formed under this Act, subject as follows (that is to say):—

(a) the regulations in Table A in the First Schedule shall not apply unless adopted by special resolution;

(b) the provisions of this Act relating to the numbering of shares shall not apply to any joint-stock company whose shares are not numbered;

(c) subject to the provisions of this section, the company shall not have power to alter any provision contained in any Act of Parliament or Act of the Governor General in Council relating to the company;

(d) subject to the provisions of this section, the company shall not have power, without the sanction of the Governor General in Council, to alter any provision contained in any Letters Patent relating to the company;

(e) the company shall not have power to alter any provision contained in a Royal Charter or Letters Patent with respect to the objects of the company;

(f) in the event of the company being wound up, every person shall be a contributory, in respect of the debts and liabilities of the company contracted before registration, who is liable to pay or contribute to the payment of any debt or liability of the company contracted before registration, or to pay or contribute to the payment of any sum for the adjustment of the rights of the members among themselves in respect of any such debt or liability; or to pay or contribute to the payment of the cost and expenses of winding up the company, so far as relates to such debts or liabilities as aforesaid; and every contributory shall be liable to contribute to the assets of the company, in the course of the winding up, all sums due from him in respect of any such liability as aforesaid; and in the event of the death or insolvency of any contributory, the provisions of this Act with respect to the legal representatives and heirs of, deceased contributories, and with reference to the assignees of insolvent contributories, shall apply;
(iii) the provisions of this Act with respect to—

(a) the registration of an unlimited company as limited;

(b) the powers of an unlimited company on registration as a limited company to increase the nominal amount of its share capital and to provide that a portion of its share capital shall not be capable of being called up except in the event of winding up;

(c) the power of a limited company to determine that a portion of its share capital shall not be capable of being called up except in the event of winding up;

shall apply notwithstanding any provisions contained in any Act of Parliament, Act of the Governor General in Council, Royal Charter, deed of settlement, contract of co-partnership, Letters Patent or other instrument constituting or regulating the company;

(iv) nothing in this section shall authorise the company to alter any such provisions contained in any deed of settlement, contract of co-partnership, Letters Patent or other instrument constituting or regulating the company, as would, if the company had originally been formed under this Act, have been required to be contained in the memorandum and are not authorised to be altered by this Act;

(v) nothing in this Act, shall derogate from any lawful power of altering its constitution or regulations which may, by virtue of any Act of Parliament, Act of the Governor General in Council, deed of settlement, contract of co-partnership, Letters Patent or other instrument constituting or regulating the company, be vested in the company.

267. (1) Subject to the provisions of this section, a company registered in pursuance of this Part may by special resolution alter the form of its constitution by substituting a memorandum and articles for a deed of settlement.

(2) The provisions of this Act with respect to confirmation by the Court and registration of an alteration of the objects of a company shall, so far as applicable, apply to an alteration under this section with the following modifications:

(a) there shall be substituted for the printed copy of the altered memorandum required to be filed with the registrar a printed copy of the substituted memorandum and articles; and

(b) on the registration of the alteration being certified by the registrar, the substituted memorandum and articles shall apply to the company in the same manner as if it were a company registered under this Act with that memorandum and those articles, and the company’s deed of settlement shall cease to apply to the company.

(3) An alteration under this section may be made either with or without any alteration of the objects of the company under this Act.
(4) In this section the expression "deed of settlement" includes any contract of co-partnership or other instrument constituting or regulating the company, not being an Act of Parliament, an Act of the Governor General in Council, a Royal Charter or Letters Patent.

268. The provisions of this Act with respect to staying and restraining suits and legal proceedings against a company at any time after the presentation of a petition for winding up, and before the making of a winding up order shall, in the case of a company registered in pursuance of this Part, where the application to stay or restrain is by a creditor, extend to suits and legal proceedings against any contributory of the company.

269. Where an order has been made for winding up a company registered in pursuance of this Part, no suit or other legal proceeding shall be commenced or proceeded with against the company or any contributory of the company in respect of any debt of the company, except by leave of the Court, and subject to such terms as the Court may impose.

PART IX.

WINDING UP OF UNREGISTERED COMPANIES.

270. For the purposes of this Part, the expression "unregistered company" shall not include a railway company incorporated by Act of Parliament or by an Act of the Governor General in Council, nor a company registered under the Indian Companies Act, 1866, or under any Act repealed thereby, or under the Indian Companies Act, 1882, or under this Act, but, save as aforesaid, shall include any partnership, association or company consisting of more than seven members.

271. (1) Subject to the provisions of this Part, any unregistered company may be wound up under this Act, and all the provisions of this Act with respect to winding up shall apply to an unregistered company, with the following exceptions and additions:

(i) an unregistered company shall, for the purpose of determining the Court having jurisdiction in the matter of the winding up, be deemed to be registered in the province where its principal place of business is situate or, if it has a principal place of business situate in more than one province, then in each province where it has a principal place of business; and the principal place of business situate in that province in which proceedings are being instituted shall, for all the purposes of the winding up, be deemed to be the registered office of the company;

(ii) no unregistered company shall be wound up under this Act voluntarily or subject to supervision;

(iii) the circumstances in which an unregistered company may be wound up are as follows (that is to say):

(a) if the company is dissolved, or has ceased to carry on business or is carrying on business only for the purpose of winding up its affairs;
(b) if the company is unable to pay its debts;
(c) if the Court is of opinion that it is just and equitable that the company should be wound up;

(2) Nothing in this Part shall affect the operation of any enactment which provides for any partnership, association or company being wound up, or being wound up as a company or as an unregistered company, under any enactment repealed by this Act, except that references in any such first-mentioned enactment to any such repealed enactment shall be read as references to the corresponding provision (if any) of this Act.
S. 276.  Act VII of 1913 (as amended by Act XXII of 1936)  127

India it may be wound up as an unregistered company under this Part, notwithstanding that it has been dissolved or otherwise ceased to exist as a company under or by virtue of the laws of the country under which it was incorporated.

272. (1) In the event of an unregistered company being wound up, every person shall be deemed to be a contributory who is liable to pay or contribute to the payment of any debt or liability of the company, or to pay or contribute to the payment of the costs and expenses of winding up the company, and every contributory shall be liable to contribute to the assets of the company all sums due from him in respect of any such liability as aforesaid.

(2) In the event of any contributory dying or being adjudged insolvent, the provisions of this Act with respect to the legal representatives and heirs of deceased contributories, and to the assignees of insolvent contributories shall apply.

273. The provisions of this Act with respect to staying and restraining suits and legal proceedings against a company at any time after the presentation of a petition for winding up and before the making of a winding up order shall in the case of an unregistered company, where the application to stay or restrain is by a creditor, extend to suits and legal proceedings against any contributory of the company.

274. Where an order has been made for winding up an unregistered company, no suit or other legal proceedings shall be proceeded with or commenced against any contributory of the company in respect of any debt of the company, except by leave of the Court, and subject to such terms as the Court may impose.

275. If an unregistered company has no power to sue and be sued in a common name, or if for any reason it appears expedient, the Court may, by the winding up order, or by any subsequent order, direct that all or any part of the property, moveable or immovable, including all interests and rights in, to and out of property, moveable and immovable, and including obligations and actionable claims as may belong to the company or to trustees on its behalf, is to vest in the official liquidator by his official name, and thereupon the property or the part thereof specified in the order shall vest accordingly; and the official liquidator may, after giving such indemnity (if any) as the Court may direct, bring or defend in his official name any suit or other legal proceeding relating to that property, or necessary to be brought or defended for the purposes of effectually winding up the company and recovering its property.

276. The provisions of this Part with respect to unregistered companies shall be in addition to, and not in restriction of, any provisions herebefore in this Act contained with respect to winding up companies by the Court, and the Court or official liquidator may exercise any powers or do any act in the case of unregistered companies which might be exercised or done by it or him in winding up
COMPANIES ACT [S. 277

companies formed and registered under this Act; but an unregistered company shall not, except in the event of its being wound up, be deemed to be a company under this Act, and then only to the extent provided by this Part.

PART X.

COMPANIES ESTABLISHED OUTSIDE BRITISH INDIA.

277. (1) Every company incorporated outside British India, which at the commencement of this Act has a place of business in British India, and every such company which after the commencement of this Act establishes such a place of business within British India, shall, within six months from the commencement of this Act or within one month from the establishment of such place of business, as the case may be, file with the registrar in the province in which such place of business is situated,—

(a) a certified copy of the charter, statutes or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof;

(b) the full address of the registered or principal office of the company;

(c) a list of the directors and managers (if any) of the company;

(d) the names and addresses of some one or more persons resident in British India authorised to accept on behalf of the company service of process and any notices required to be served on the company;

and, in the event of any alteration being made in any such instrument or in such address or in the directors or managers or in the names or addresses of any such persons as aforesaid, the company shall, within the prescribed time, file with the registrar a notice of the alteration.

(2) Any process or notice required to be served on the company shall be sufficiently served, if addressed to any person whose name has been so filed as aforesaid and left at or sent by post to the address which has been so filed.

(3) Every company to which this section applies shall in every year file with the registrar of the province in which the company has its principal place of business—

(i) in a case where by the law, for the time being in force, of the country in which the company is incorporated such company is required to file with the public authority an annual balance sheet, a copy of that balance-sheet; and if the balance-sheet does not contain all the information provided for in the form marked H in the Third Schedule, such supplementary statements as shall furnish such information; or

(ii) in a case where no such provision is made by the law, for the time being in force, of the country in which the company is incorporated, such a statement in the form of a balance-sheet as such company would, if it were a company formed and registered under this Act, be required to file in accordance with the provisions of this Act:
(4) Every company to which this section applies and which uses the word "Limited" as part of its name, shall—

(a) in every prospectus inviting subscriptions for its shares or debentures in British India, state the country in which the company is incorporated; and

(b) conspicuously exhibit on every place where it carries on business in British India the name of the company and the country in which the company is incorporated in letters easily legible in English characters and also, if any place where it carries on business is beyond the local limits of the ordinary original civil jurisdiction of a High Court, in the characters of one of the vernacular languages used in that place; and

(c) have the name of the company and of the country in which the company is incorporated mentioned in legible English characters in all bill heads and letter paper, and in all notices, advertisements and other official publications of the company.

(5) Every company to which this section applies shall if the liability of the members of the company is limited cause notice of that fact to be stated in legible characters in every prospectus inviting subscriptions for its shares, and in all bill-heads and letter paper notices, advertisements and other official publications of the company in British India, and to be affixed on every place where it carries on business.

(6) If any company to which this section applies fails to comply with any of the requirements of this section, the company, and every officer or agent of the company, shall be liable to a fine not exceeding five hundred rupees or, in the case of a continuing offence, fifty rupees for every day during which the default continues.

(7) For the purposes of this section—

(a) the expression "certified" means certified in the prescribed manner to be a true copy or a correct translation;

(b) the expression "place of business" includes a share transfer or share registration office;

(c) the expression "director" includes any person occupying the position of director, by whatever name called; and

(d) the expression "prospectus", notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of the company.

(8) There shall be paid to the registrar for registering any document required by this section to be filed with him a fee of five rupees or such smaller fee as may be prescribed.

Restriction on sale and offer for sale of shares.

(1) It shall not be lawful for any person—

(a) to issue, circulate or distribute in British India any prospectus offering for subscription shares in or debentures of a company incorporated or to be incorporated outside British India whether the company has or has not established, or when
130  " ' ^  COMPANIES  ACT " [S.

formed will or will not establish, a place of business in British
India, unless—

(i) before the issue, circulation or distribution of the prospectus in
British India a copy thereof, certified by the chairman and
two other directors of the company as having been approved
by resolution of the managing body, has been delivered for
registration to the registrar;

(ii) the prospectus states on the face of it that the copy has been
so delivered;

(iii) the prospectus is dated; and

(iv) the prospectus otherwise complies with this Part; or

(b) to issue to any person in British India a form of application for
shares in or debentures of such a company or intended com­
pany as aforesaid, unless the form is issued with a prospectus
which complies with this Part:

Provided that this provision shall not apply if it is shown that the
form of application was issued in connection with a bona fide
invitation to a person to enter into an underwriting agree­
ment with respect to the shares or debentures.

(2) This section shall not apply to the issue to existing members or
debenture holders of a company of a prospectus or form of application relating
to shares in or debentures of the company, whether an applicant for shares
or debentures will or will not have the right to renounce in favour of other
persons, but, subject as aforesaid, this section shall apply to a prospectus or
form of application whether issued on or with reference to the formation of
a company or subsequently.

(3) Where any document by which any shares in or debentures of a
company incorporated outside British India are offered for sale to the public
would, if the company concerned had been a company within the meaning of
this Act, have been deemed by virtue of section 98A to be a prospectus issued
by the company, that document shall be deemed to be, for the purposes of
this section, a prospectus issued by the company.

(4) An offer of shares or debentures for subscription or sale to any
person whose ordinary business or part of whose ordinary business it is to buy
or sell shares or debentures, whether as principal or agent, shall not be deemed
an offer to the public for the purposes of this section.

(5) Any person who is knowingly responsible for the issue, circulation
or distribution of any prospectus, or for the issue of a form of application
for shares or debentures, in contravention of the provisions of this section shall
be liable to a fine not exceeding five thousand rupees.

(6) In this section and in section 277B, the expressions 'prospectus',
'shares' and 'debentures' have the same meanings as when used in relation to
a company incorporated under this Act.

277A. (1) In order to comply with this Part a
prospectus, in addition to complying with the provisions
of sub-clauses (ii) and (iii) of clause (a) of sub-section
(1) of section 277A, must—

(a) contain particulars with respect to the following matters:—

(i) the objects of the company;
(ii) the instrument constituting or defining the constitution of the company;
(iii) the enactments, or provisions having the force of an enactment, by or under which the incorporation of the company was effected;
(iv) an address in British India where the said instrument, enactments or provisions, or copies thereof, and if the same are in a foreign language a translation thereof in the English language certified in the prescribed manner, can be inspected;
(v) the date on which and the country in which the company was incorporated;
(vi) whether the company has established a place of business in British India and, if so, the address of its principal office in British India.

Provided that the provisions of sub-clauses (i), (ii) and (iii) of this clause shall not apply in the case of a prospectus issued more than two years after the date at which the company is entitled to commence business;

(b) subject to the provisions of this section, state the matters specified in sub-section (1A) of section 93 and set out the reports specified in that section:

Provided that—

(i) where any prospectus is published as a newspaper advertisement, it shall be a sufficient compliance with the requirement that the prospectus must specify the objects of the company if the advertisement specifies the primary object with which the company was formed, and

(ii) in section 93 of this Act a reference to the articles of the company shall be deemed to be a reference to the constitution of the company.

(3) Any condition requiring or binding any applicant for shares or debentures to waive compliance with any requirement of this section, or purporting to affect him with notice of any contract, document, or matter not specifically referred to in the prospectus, shall be void.

(4) In the event of non-compliance with or contravention of any of the requirements of this section, a director or other person responsible for the prospectus shall not incur any liability by reason of the non-compliance or contravention, if—

(a) as regards any matter not disclosed, he proves that he was not cognisant thereof; or

(b) he proves that the non-compliance or contravention arose from an honest mistake of fact on his part, or

(c) the non-compliance or contravention was in respect of matters which, in the opinion of the Court dealing with the case, were immaterial or were otherwise such as ought, in the opinion of that Court, having regard to all the circumstances of the case, reasonably to be excused.
Provided that in the event of failure to include in a prospectus a statement with respect to the matters specified in clause (n) of sub-section (1) of section 93, no director or other person shall incur any liability in respect of the failure unless it be proved that he had knowledge of the matters not disclosed.

42. Nothing in this section shall limit or diminish any liability which any person may incur under the general law or this Act, apart from this section.

277C. (1) It shall not be lawful for any person to go from house to house offering shares of a company incorporated outside India for subscription or purchase to the public or any member of the public.

(2) In this sub-section the expression 'house' shall not include an office used for business purposes.

(3) Any person acting in contravention of this section shall be liable to a fine not exceeding rupees one hundred.

277D. The provisions of sections 109 to 117, both inclusive, and 120 to 125, both inclusive, shall extend to charges on properties in British India which are created and to charges on property in British India which is acquired after the commencement of the Indian Companies (Amendment) Act, 1936, by a company incorporated outside British India which has an established place of business in British India.

277E. The provisions of sections 118 and 119 shall mutatis mutandis apply to all companies incorporated outside British India which has an established place of business in British India. The provisions of section 130 shall apply to such companies to the extent of requiring them to keep at their principal place of business in British India the books of account required by that section with respect to money received and expended, sales and purchases made, and assets and liabilities in relation to its business in British India.

PART X A.

Banking Companies.

277F. A ‘banking company’ means a company which carries on as its principal business the accepting of deposits of money on current account or otherwise, subject to withdrawal by cheque, draft or order, notwithstanding that it engages in addition in any one or more of the following forms of business, namely:

1. the borrowing, raising or taking up of money; the lending or advancing of money either upon or without security; the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hondites, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments, and securities whether transferable or negotiable or not; the granting and issuing of letters of credit, travellers cheques and circular notes; the buying, selling and dealing in bullion and specie; the buying and selling of foreign
exchange including foreign bank notes; the acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; the purchasing and selling of bonds, stocks or other forms of securities on behalf of constituents or others; the negotiating of loans and advances; the receiving of all kinds of bonds, scrips or valuables on deposit, or for safe custody otherwise; the collecting and transmitting of money and securities;

(3) acting as agents for Governments or local authorities or for any other person or persons; the carrying on of agency business of any description other than the business of a managing agent, including the power to act as attorneys and to give discharges and receipts;

(4) contracting for public and private loans and negotiating and issuing the same;

(5) the promoting, effecting, insuring, guaranteeing, underwriting, participating in managing and carrying out of any issue, public or private, of State, Municipal or other loans or of shares, stock, debentures, or debenture stock of any company, corporation or association and the lending of money for the purpose of any such issue;

(6) carrying on and transacting every kind of guarantee and indemnity business;

(7) promoting or financing or assisting in promoting or financing any business undertaking or industry, either existing or new, and developing or financing the same either through the instrumentality of syndicates or otherwise;

(8) acquisition by purchase, lease, exchange, hire or otherwise of any property moveable or immovable and any rights or privileges which the company may think necessary or convenient to acquire or the acquisition or which in the opinion of the company is likely to facilitate the realisation of any securities held by the company or to prevent or diminish any apprehended loss or liability;

(9) managing, selling and realising all property moveable and immovable which may come into the possession of the company in satisfaction or part satisfaction of any of its claims;

(10) undertaking and executing trusts;

(11) undertaking the administration of estates as executor, trustee or otherwise;

(12) taking or otherwise acquiring and holding shares in any other company having objects similar to those of the company;

(13) establishing and supporting or aiding in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or
COMPANIES ACT

the dependents or connections of such persons; granting pensions
and allowances and making payments towards insurance; subscribing
to or guaranteeing moneys for charitable or benevolent objects
or for any exhibition or for any public, general or useful object;
(14) the acquisition, construction, maintenance and alteration of any
building or works necessary or convenient for the purposes of the
company;
(15) selling, improving, managing, developing, exchanging, leasing,
mortgaging, disposing of or turning into account or otherwise dealing
with all or any part of the property and rights of the company;
(16) acquiring and undertaking the whole or any part of the business of
any person or company, when such business is of a nature enumer­
ated or described in this section;
(17) doing all such other things as are incidental or conducive to the
promotion or advancement of the business of the company.

277G. (1) No company formed after the commencement of the Indian
Companies (Amendment) Act, 1936, for the purpose of
the limitation of activity of banking company.
limitation of activity of banking company or which uses
the objects of the company to the carrying on of the business of accepting
deposits of money on current account or otherwise subject to withdrawal by
cheque, draft or otherwise along with some or all of the forms of business
specified in section 277F.
(2) No banking company whether incorporated in or outside British
India shall after the expiry of two years from the commencement of the said
Act carry on any form of business other than those specified in section 277F:
Provided that the Governor General in Council may, by notification in the
Gazette of India, specify in addition to the businesses set forth in clauses (1)
to (17) of section 277F other forms of business which it may be lawful under
this section for a banking company to engage in.

277H. No banking company shall after the expiry
of two years from the commencement of the Indian
Companies (Amendment) Act, 1936, employ or be
managed by a managing agent other than a banking
company for the management of the company.

277I. Notwithstanding anything contained in section 103, no banking
company incorporated under this Act after the commence­
ment of business by banking company.
ment of business shall commence business, unless shares have been allotted
to an amount sufficient to yield a sum of at least fifty
thousand rupees as paid up capital and unless a declaration duly verified by
an affidavit signed by the directors and the manager that such a sum has
been received by way of paid up capital has been filed with the registrar.

277J. No banking company shall create any charge
on unpaid capital of the company, and any such
charge shall be invalid.
277K. (1) Every banking company shall, after the commencement of the Indian Companies (Amendment) Act, 1936, maintain a reserve fund.

(2) Every banking company shall out of the declared profits of each year and before any dividend is declared transfer a sum equivalent to not less than twenty per cent. of such profit to the reserve fund until the amount of the said fund is equal to the paid up capital.

(3) A banking company shall invest the amount standing to the credit of its reserve fund on Government securities or in securities mentioned or referred to in section 20 of the Indian Trusts Act, 1882, or keep deposited in a special account to be opened by the company for the purpose in a scheduled bank as defined in clause (c) of section (2) of the Reserve Bank of India Act, 1934:

Provided that the provision of the sub-section shall not apply to a banking company incorporated before the commencement of the Indian Companies (Amendment) Act, 1936, till after the expiry of two years from the commencement of the said Act.

277L. (1) Every banking company shall maintain by way of cash reserve in cash a sum equivalent to at least one and a half per cent. of the time liabilities and five per cent. of the demand liabilities of such company and shall file with the registrar before the tenth day of every month a statement of the amount so held on the Friday of each week of the preceding week with particulars of the time and demand liabilities of each such day.

(2) For the purposes of sub-section (1) 'demand liabilities' means liabilities which must be met on demand, and 'time liabilities' means liabilities which are not demand liabilities.

(3) Nothing in this section or in section 277K shall apply to a scheduled bank as defined in clause (e) of section 2 of the Reserve Bank of India Act, 1934.

(4) If default is made in complying with the requirements of section 277L, section 277H, section 277J, section 277K, or section 277M or with the requirements of this section as to the maintenance of a cash reserve, every director or other officer of the company who is knowingly and wilfully a party to the default shall be liable to a fine not exceeding five hundred rupees for every day during which the default continues, and if default is made in complying with the requirements of this section as to the filing of the statement referred to in sub-section (1), to a fine not exceeding one hundred rupees for every day during which the default continues.

277M. A banking company shall not form or hold shares in any subsidiary company except a subsidiary company of its own formed for the purpose of undertaking and executing trusts, undertaking the administration of estates as executor, trustee or otherwise and such other purposes set forth in section 277F as are incidental to the business of accepting deposits of money on current account or otherwise.

277N. (1) The Court may on the application of a banking company which is temporarily unable to meet its obligations make an order staying the commencement or continuance of all actions and proceedings against the company for a fixed period of time on such terms and conditions as it shall think fit and proper and may from time to time extend the period.
(3) No such application shall be maintainable unless accompanied by a report of the registrar:

Provided, however, the Court may, for sufficient reasons, grant interim relief, even if the application is not accompanied by such report.

(4) The registrar shall for the purposes of his report be entitled at the cost of the company to investigate the financial condition of the company and for such purpose to have the books and documents of the company examined by an accountant holding a certificate issued under section 144.

PART XI.

Supplemental.

Legal proceedings, offences, etc.

278. (1) No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence against this Act.

(2) If any offence which by this Act is declared to be punishable by fine only is committed by any person within the local limits of the ordinary original civil jurisdiction of the High Courts of Justice at Fort William, Madras and Bombay, such offence shall be punishable upon summary conviction by any Presidency Magistrate of the place at which such Court is held.

(3) Notwithstanding anything in the Code of Criminal Procedure, 1898, every offence against this Act shall, for the purposes of the said Code, be deemed to be non-cognizable.

279. The Court imposing any fine under this Act may direct that the whole or any part thereof be applied in or towards payment of the costs of the proceedings or in or towards the rewarding of the person on whose information the fine is recovered.

280. Where a limited company is plaintiff or petitioner in any suit or other legal proceeding, any Court having jurisdiction in that matter may, if it appears that there is reason to believe that the company will be unable to pay the costs of the defendant if successful in his defence, require sufficient security to be given for those costs, and may stay all proceedings until the security is given.

281. (1) If in any proceeding for negligence, default, breach of duty or breach of trust against a person to whom this section applies, it appears to the Court hearing the case that that person is or may be liable in respect of the negligence, default, breach of duty or breach of trust, but that he has acted honestly and reasonably, and that having regard to all the circumstances of the case, including those connected with his appointment, he ought fairly to be excused for the negligence, default, breach of duty or breach of trust, that Court may relieve him, either wholly or partly, from his liability on such terms as the Court may think fit.

(2) Where any person to whom this section applies has reason to apprehend that a claim will or might be made against him in respect of any negligence, default, breach of duty or breach of trust, he may apply to the Court...
S. 282B  
ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936)  137

for relief, and the Court on any such application shall have the same power to
relieve him as under this section it would have had if it had been a Court
before which proceedings against that person for negligence, default, breach of
duty or breach of trust had been brought.

(3) The persons to whom this section applies are the following:—
(a) directors of a company;
(b) managers and managing agents of a company;
(c) officers of a company;
(d) persons employed by a company as auditors, whether they are or
are not officers of the company.

282. Whoever in any return, report, certificate, balance-sheet or other
document, required by or for the purposes of any of the
provisions of this Act, wilfully makes a statement false
in any material particular, knowing it to be false, shall
be punishable with imprisonment of either description for a term which may
extend to three years, and shall also be liable to fine.

282A. Any director, managing agent, manager or other officer or employee
of a company who wrongfully obtains possession of any
property of a company, or having any such property in
his possession wrongfully withholds it or wilfully applies
it to purposes other than those expressed or directed in
the articles and authorised by this Act, shall, on the
complaint of the company or any creditor
or contributory thereof, be punish-
able with fine not exceeding one thousand rupees and may be ordered by the
Court trying the offence to deliver up or set-off within a time to be fixed by
the Court any such property improperly obtained or wrongfully withheld or
wilfully misapplied or in default to suffer imprisonment for a period not
exceeding two years.

282B. (1) All moneys or securities deposited with a company by its
employees in pursuance of their contracts of service with
the company shall be kept or deposited by the company
in a special account to be opened by the company for the
purpose in a scheduled bank as defined in clause (e)
of section 2 of the Reserve Bank of India Act 1934, and no portion thereof
shall be utilised by the company except for the purposes agreed to in the con-
tact of service.

(2) Where a provident fund has been constituted by a company for its
employees or any class of its employees, all moneys contributed to such fund
(whether by the company or by the employees) or accruing by way of interest
or otherwise to such fund after the commencement of the Indian Companies
(Amendment) Act, 1938, shall be invested, and shall be invested only in
securities mentioned or referred to in clauses (a) to (e) of section 20 of the
Indian Trusts Act, 1882, and all moneys belonging to such fund at the com-
ment of the said Act which are not so invested shall be invested in such
securities by annual instalments not exceeding ten in number and not less
in amount in any year than one-tenth of the whole amount of such moneys.

(3) Notwithstanding anything to the contrary in the rules of any fund
to which sub-section (2) applies or in any contract between a company and its
employees, no employee shall be entitled to receive in respect of such portion
of the amount to his credit in such fund as is invested in accordance with the provisions of sub-section (2) interest at a rate exceeding the rate of interest yielded by such investment.

(4) An employee shall be entitled on request made in this behalf to the company to see the bank's receipt for any money or security such as is referred to in sub-section (1) and sub-section (2).

(5) Any director, managing agent, manager or other officer of the company who knowingly contravenes or permits or authorises the contravention of the provisions of this section shall be liable on conviction to a fine not exceeding five hundred rupees.

283. If any person or persons trade or carry on business under any name or title of which “Limited” is the last word, that person or those persons shall unless duly incorporated with limited liability, be liable to a fine not exceeding fifty rupees for every day upon which that name or title has been used.

284. The provisions of this Act with respect to winding up shall not apply to any company of which the winding up has commenced before the commencement of this Act, but every such company shall be wound up in the same manner and with the same incidents as if this Act had not been passed, and, for the purposes of the winding up, the Indian Companies Act, 1882, shall be deemed to remain in full force.

285. Every instrument of transfer or other document made before the commencement of this Act in pursuance of any enactment hereby repealed, shall be of the same force as if this Act had not been passed, and for the purposes of that instrument or document the repealed enactment shall be deemed to remain in full force.

286. (1) The offices existing at the commencement of this Act for registration of joint-stock companies shall be continued as if they had been established under this Act.

(2) Registers of companies kept in any such existing offices shall respectively be deemed part of the registers of companies to be kept under this Act.

(3) The existing registrars, assistant registrars and officers in those offices shall, during the pleasure of the Local Government, hold the offices and receive the salaries hitherto held and received by them, but subject to any regulations of the Local Government with regard to the execution of their duties.

287. Nothing in this Act shall affect the provisions of the Indian Life Assurance Companies Act, 1912, or of the Provident Insurance Societies Act, 1912.

288. In sections 1 and 18 of Act No. XXI of 1860 (for the registration of Literary, Scientific and Charitable Societies), the words “register of joint-stock companies” shall be construed to mean the registrar under this Act.
Act VII of 1913 (as amended by Act XXII of 1936)

289. Save as provided in sections 188 and 189, nothing in this Act shall be deemed to apply to the Bank of Bengal, the Bank of Madras and the Bank of Bombay.

290. (1) The enactments mentioned in the Fourth Schedule are hereby repealed to the extent specified in the fourth column thereof:

Provided that the repeal shall not affect—
(a) the incorporation of any company registered under any enactment hereby repealed; nor
(b) Table B in the Schedule annexed to Act No. XIX of 1857, or any part thereof, so far as the same applies to any company existing at the commencement of this Act; nor
(c) Table A in the First Schedule annexed to the Indian Companies Act, 1882, or any part thereof, so far as the same applies to any company existing at the commencement of this Act.

(2) All fees directed, resolutions passed and other things duly done under any enactment hereby repealed, shall be deemed to have been directed, passed or done under this Act.

(3) The mention of particular matters in this section or in any other section of this Act shall not prejudice the general application of section 6 of the General Clauses Act, 1897, with regard to the effect of repeals.

SCHEDULES.

THE FIRST SCHEDULE.

(See sections 2, 17, 18, 79, 266).

TABLE A.

REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED BY SHARES.

Preliminary.

1. In these regulations, unless the context otherwise requires, expressions defined in the Indian Companies Act, 1913, or any statutory modification thereof in force at the date at which these Regulations become binding on the company, shall have the meanings so defined; and words importing the singular shall include the plural, and vice versa, and words importing the masculine gender shall include females, and words importing persons shall include bodies corporate.

Business.

2. The directors shall have regard to the restrictions on the commencement of business imposed by section 103 of the Indian Companies Act, 1913, if, and so far as, those restrictions are binding upon the company.

Shares.

3. Subject to the provisions, if any, in that behalf of the memorandum of association of the company, and without prejudice to any special rights properly conferred on the holders of existing shares in the company, any share in the company may be issued with such preferential, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital, or otherwise, as the company may from time to time by special resolution determine, and any preference share may with the sanction of a special resolution be issued on the terms that it is, or at the option of the company is liable to be redeemed.

4. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of section 66-A of the Indian Companies Act, 1913, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or such the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class.
5. No share shall be offered to the public for subscription except upon the terms that the amount payable on application shall be at least five per cent, of the nominal amount of the share; and the directors shall, as regards any allotment of shares, duly comply with such of the provisions of sections 101 and 104 of the Indian Companies Act, 1913, as may be applicable thereto.

6. Every person whose name is entered as a member in the register of members shall, without payment, be entitled to a certificate under the common seal of the company specifying the share or shares held by him and the amount paid up thereon: Provided that, in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint-holders shall be sufficient delivery to all.

7. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding eight annas, and on such terms, if any, as to evidence and indemnity as the directors think fit.

8. Except to the extent allowed by section 54-A of the Indian Companies Act, 1913, no part of the funds of the company shall be employed in the purchase of, or in loans upon the security of, the company's shares.

9. The company shall have a lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have a lien on all shares (other than fully-paid shares) standing registered in the name of a single person, on all moneys presently payable by him or his estate to the company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. The company's lien, if any, on a share shall extend to all dividends payable thereon.

10. The company may sell, in such manner as the director thinks fit, any shares on which the company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment thereof, has been given to the registered holder for the time being of the share, or the person entitled by reason of his death or insolvency to the share.

11. The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares, and he shall not be bound to see to the application of the purchase-money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. The directors may at any time make calls upon the members in respect of any moneys unpaid on their shares, provided that no call shall exceed one-fourth of the nominal amount of the share, or be payable at less than one month from the last call; and each member shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to the company at the time or times so specified the amount called on his share.

13. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

14. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of five per cent, per annum from the day appointed for the payment thereof to the time of the actual payment, but the directors shall be at liberty to waive payment of that interest wholly or in part.

15. The provisions of these regulations as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

16. The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.

17. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so advanced may (until the same would, but for such advance,
art. 27] ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936) 141

become presently payable) pay interest at such rate (not exceeding, without the sanction of the company in general meeting, six per cent.) as may be agreed upon between the member paying the sum in advance and the directors.

Transfer and transmission of shares.

18. The instrument of transfer of any share in the company shall be executed both by the transferee and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee entered in the register of members in respect thereof.

19. Shares in the company shall be transferred in the following form, or in any usual or common form which the directors shall approve:

I, A B of , in consideration of the sum of rupees , do hereby transfer to the said transferee the share [or shares] numbered in the undertaking called the Company, Limited, to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution thereof, and I, the said transferee, do hereby agree to take the said share [or shares] subject to the conditions aforesaid. As witness our hands the day of .

Transfer and transmission of shares.

20. The directors may decline to register any transfer of shares, not being fully paid shares, to a person of whom they do not approve, and may also decline to register any transfer of shares on which the company has a lien. The directors may also suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognize any instrument of transfer unless—

(a) a fee not exceeding two rupees is paid to the company in respect thereof; and

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

If the directors refuse to register a transfer of any shares, they shall within two months after the date on which the transfer was lodged with the company send to their transferee and the transferor notice of the refusal.

21. The executors or administrators of a deceased sole holder of a share shall be the only persons recognized by the company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the executors or administrators of the deceased survivor, shall be the only persons recognized by the company as having any title to the share.

22. Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required by the directors, have the right, either to be registered as a member in respect of the share or, in the case of a share registered in the names of two or more holders, the survivors or survivor, or the executors or administrators of the deceased survivor, shall be the only persons recognized by the company as having any title to the share.

Forfeiture of shares.

24. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

25. The notice shall name a further day (not earlier than the expiration of fourteen days, from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

26. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.

27. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.
28. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the company all moneys which, at the date of forfeiture, were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company received payment in full of the nominal amount of the shares.

29. A duly verified declaration in writing that the declarant is a director of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; and that declaration, and the receipt of the company for the consideration, and the purchase-money (if any), nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

30. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Conversion of shares into Stock.

31. The directors may, with the sanction of the company previously given in general meeting, convert any paid-up shares into stock, and may with the like sanction re-convert any stock into paid-up shares of any denomination.

32. The holders of stock may transfer the same, or any part thereof in the same manner, and subject to the same regulations as, and subject to which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; but the directors may from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

33. The holders of stock shall, according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the company; and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company) shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred that privilege or advantage.

34. Such of the regulations of the company (other than those relating to share-warrants), as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder."

Share-warrants.

35. The company may issue share-warrants, and accordingly the directors may in their discretion, with respect to any share which is fully paid up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the directors may from time to time require, issue a warrant, duly stamped, stating that the bearer of the warrant is entitled to the shares therein specified, and may provide by coupons or otherwise for the payment of dividends, or other moneys on the shares included in the warrant.

36. A share-warrant shall entitle the bearer to the shares included in it and the share shall be transferred by the delivery of the share-warrant, and the provisions of the regulations of the company with respect to transfer and transmission of the shares shall not apply thereto.

37. The bearer of a share-warrant shall, on surrender of the warrant to the company for cancellation, and on payment of such sum as the directors may from time to time prescribe, be entitled to have his name entered as a member in the register of members in respect of the shares included in the warrant.

38. The bearer of a share-warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiration of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant. Not more than one person shall be recognised as depositor of the share-warrant. The company shall, on two days' written notice, return the deposited share-warrant to the depositor.
39. Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the company, or attend, or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notices from the company: but the bearer of a share-warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the shares included in the warrant, and he shall be a member of the company.

40. The directors may from time to time make rules as to the terms on which (if they shall think fit) a new share-warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Alteration of Capital.

41. The directors may, with the sanction of the company in general meeting increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

42. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the notice is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this article.

43. The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

44. The company may, by ordinary resolution,—

(a) consolidate and divide its share capital into shares of larger amount than its existing shares;

(b) by subdivision of its existing shares or any of them, divide the whole or any part of its share capital into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of paragraph (d) of sub-section (1) of section 50 of the Indian Companies Act, 1913;

(c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

44A. The company may, by special resolution, reduce its share capital in any manner and with, and subject to any incidental authorised and consent required, by law.

General Meetings.

45. The statutory general meeting of the company shall be held within the period required by section 77 of the Indian Companies Act, 1913.

46. A general meeting shall be held within eighteen months from the date of its incorporation and thereafter once at least, in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs, and at such place as the directors shall appoint. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be called by any two members in the same manner as nearly as possible as that in which meetings are to be called by the directors.

47. The above-mentioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

48. The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by section 78 of the Indian Companies Act, 1913. If at any time there are not within British India sufficient directors capable of acting to form a quorum, any director or any two members of the company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the directors.

Proceedings at General meeting.

49. Subject to the provisions of sub-section (3) of section 81 of the Indian Companies Act, 1913, relating to special resolutions, fourteen days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given)
specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in manner heretofore mentioned or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the Indian Companies Act, 1913, or the resolutions of the company, entitled to receive such notices from the company; but the accidental omission to give notice to or the non-receipt of notice by any member shall not invalidate the proceedings at any general meeting.

50. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting with the exception of sanctioning a dividend, the consideration of the accounts, balance-sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of the remuneration of the auditors.

51. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business, save as herein otherwise provided two members in the case of a private company and five members in the case of any other company personally present shall be a quorum.

52. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

53. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company.

54. If there is no such chairman, or at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman, the members present shall choose some one of their number to be chairman.

55. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business, left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

56. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least three members, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book of the proceedings of the company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

57. If a poll is duly demanded, it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

58. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

59. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

60. On a show of hands every member present in person shall have one vote. On a poll every member shall have one vote in respect of each share, or each hundred rupees of stock held by him.

61. In the case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

62. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

63. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
64. On a poll votes may be given either personally or by proxy: Provided that no company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 80 of the Indian Companies Act, 1913, is in force.

65. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under the common seal, or under the hand of an officer or attorney so authorized. No person shall act as a proxy unless he is a member of the company.

66. The instrument appointing a proxy and the power-of-attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered office of the company not less than seventy-two hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

67. An instrument appointing a proxy may be in the following form, or in any other form which the directors shall approve—

Company, Limited

"I of in Ihe district of being a member of the Company, Limited, hereby appoint of as my proxy to vote for me and on my behalf at the (ordinary or extraordinary, as the case may be) general meeting of the company to be held on the day of and at any adjournment thereof,"

Signed this day of Directors.

68. The number of the directors and the names of the first directors shall be determined in writing by a majority of the subscribers of the memorandum of association.

69. The remuneration of the directors shall from time to time be determined by the company in general meeting.

70. The qualification of a director shall be the holding of at least one share in the company, and it shall be his duty to comply with the provisions of section 85 of the Indian Companies Act, 1913.

Powers and duties of Directors,

71. The business of the company shall be managed by the directors, who may pay all expenses incurred in getting up and registering the company, and may exercise all such powers of the company as are not, by the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting, subject nevertheless to any regulation of these articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

72. The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term, and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way and partly in another) as they may think fit, and a director so appointed shall not, while holding that office, be subject to retirement by rotation, or taken into account in determining the rotation of retirement of directors, but his appointment shall be subject to determination ipso facto if he ceases from any cause to be a director, or if the company in general meeting resolve that his tenure of the office of managing director or manager be determined.

73. The amount for the time being remaining undischarged of moneys borrowed or raised by the directors for the purposes of the company (otherwise than by the issue of share capital) shall not at any time exceed the issued share capital of the company without the sanction of the company in general meeting.

74. The directors shall duly comply with the provisions of the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the company or created by it, and to keeping a register of the directors, and to sending to the registrar an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or conversion of shares into stock, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein.

75. The directors shall cause minutes to be made in books provided for the purpose—

(a) of all appointments of officers made by the directors;
(b) of the names of the directors present at each meeting of the directors and of any committee of the directors;

c) of all resolutions and proceedings at all meetings of the company, and, of the directors, and of committees of directors;

and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

The Seal.

76. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board of directors, and in the presence of at least two directors and of the secretary or such other person as the directors may appoint for the purpose; and those two directors and secretary or such person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Disqualifications of Directors.

77. The office of director shall be vacated if the director—

(a) fails to obtain within the time specified in sub-section (1) of section 81 of the Indian Companies Act, 1913, or at any time thereafter ceases to hold, the share qualification, if any, necessary for his appointment; or

(b) is found to be of unsound mind by a Court of competent jurisdiction; or

(c) is adjudged insolvent; or

(d) fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made; or

(e) without the sanction of the company in general meeting accepts or holds any office of profit under the company other than that of a managing director or manager or a legal or technical adviser or a banker; or

(f) absent himself from three consecutive meetings of the directors or from all meetings of the directors for a continuous period of three months, whichever is longer, without leave of absence from the board of directors; or

(g) accepts a loan from the company; or

(h) is concerned or participates in the profits of any contract with the company; or

(i) is punished with imprisonment for a term exceeding six months:

Provided, however, that no director shall vacate his office by reason of his being a member of any company which has entered into contracts with, or done any work for, the company of which he is director, but a director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted.

Rotation of Directors.

78. At the first ordinary meeting of the company, the whole of the directors shall retire from office, and at the ordinary meeting in every subsequent year, one-third of the directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

79. The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

80. A retiring director shall be eligible for re-election.

81. The company at the general meeting at which a director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

82. If at any meeting at which an election of directors ought to take place, the places of the retiring directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place, and, if at the adjourned meeting the places of the retiring directors are not filled up, the vacancies shall be deemed to have been re-elected at the adjourned meeting.

83. Subject to the provisions of sections 83A and 83B of the Indian Companies Act, 1913, the company may from time to time in general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.

84. Any casual vacancy occurring on the board of directors may be filled up by the directors, but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.
The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of directors, the continuing directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.

The directors may elect a chairman of their meeting and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.

A committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and, in case of an equality of votes, the chairman shall have a second or casting vote.

All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment or any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

The company in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the directors.

The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalising dividends, or for any other purpose to which the profits of the company may be properly applied, and
Companies Act

Section 100

100. If several persons are registered as joint-holders of any share, any one of them may give effectual receipts for any dividend payable on the share.

Section 101

101. Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons to share therein.

Section 102

102. No dividend shall bear interest against the company.

Section 103

103. The directors shall cause to be kept proper books of account with respect to—
   (a) all sums of money received and expended by the company and the matters in respect of which the receipts and expenditure take place;
   (b) all sales and purchases of goods by the company;
   (c) the assets and liabilities of the company.

Section 104

104. The books of account shall be kept at the registered office of the company or at such other place as the directors shall think fit and shall be open to inspection by the directors during business hours.

Section 105

105. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the directors or by the company in general meeting.

Section 106

106. The directors shall as required by sections 130 to 135 of the Indian Companies Act, 1913, cause to be prepared and to be laid before the company in general meeting such profit and loss accounts, balance sheets, and reports as are referred to in those sections.

Section 107

107. The profit and loss accounts shall in addition to the matters referred to in sub-section (3) of section 132 of the Indian Companies Act, 1913, show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be had before the meeting, and, in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

Section 108

108. A balance-sheet shall be made out in every year and laid before the company in general meeting made up to a date not more than six months before such meeting. The balance-sheet shall be accompanied by a report of the directors as to the state of the company's affairs, and the amount which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to a reserve fund.

Section 109

109. A copy of the balance-sheet and report shall, seven days previously to the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder.

Section 110

110. The directors shall in all respects comply with the provisions of sections 130 to 135 of the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force.

Audit

Section 111

111. Auditors shall be appointed and their duties regulated in accordance with sections 144 and 145 of the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force.

Notices

Section 112

112. (1) A notice may be given by the company to any member either personally or by sending it by post to him at his registered address or if he has no registered address in British India to the address, if any, within British India supplied by him to the company for the giving of notices to him.

(2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.
TABLE B]  ACT VII OF 1913 (AS AMENDED BY ACT XXII OF 1936)  149

113. If a member has no registered address in British India, and has not supplied to the company an address within British India for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the company shall be deemed to be duly given to him on the day on which the advertisement appears.

114. A notice may be given by the company to the joint holders of a share by giving the notice to the joint-holder named first in the register in respect of the share.

115. A notice may be given by the company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in British India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

116. Notice of every general meeting shall be given in some manner hereinbefore authorised to (a) every member of the company (including holders of share-warrants) except those members who (having no registered address within British India) have not supplied to the company an address within British India for the giving of notices to them, and also to (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency would be entitled to receive notice of the meeting. No other persons shall be entitled to receive notices of general meetings.

TABLE B.
(See sections 219 and 262)

TABLE OF FEES TO BE PAID TO THE REGISTRAR.

I.—By a company having a share capital.

1. For registration of a company whose nominal share capital does not exceed Rs. 20,000, a fee of
   Rs. A. p. 40 0 0
2. For registration of a company whose nominal share capital exceeds Rs. 20,000, the above fee of forty rupees, with the following additional fees regulated according to the amount of nominal capital (that is to say)—
   For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 20,000 rupees up to 50,000 rupees... 20 0 0
   For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 50,000 rupees up to 100,000 rupees... 5 0 0
   For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 100,000 rupees... 1 0 0

3. For registration of any increase of share capital made after the first registration of the company, the same fees per 10,000 rupees or part of 10,000 rupees, as would have been payable if such increased share capital had formed part of the original share capital at the time of registration:
   Provided that no company shall be liable to pay in respect of nominal share capital on registration, or afterwards, any greater amount of fees than 1,000 rupees taking into account, in the case of fees payable on an increase of share capital after registration, the fees paid on registration.

4. For registration of any existing company, except such companies as are by this Act exempted from payment of fees in respect of registration under this Act, the same fee as is charged for registering a new company.

5. For filing any document by this Act required or authorised to be filed, other than the memorandum or the abstract required to be filed with the registrar by a receiver or the statement required to be filed with the registrar by the liquidator in a winding up...
   Rs. A. p. 5 0 0

6. For making a record of any fact by this Act authorised or required to be recorded by the registrar, a fee of
   Rs. A. p. 5 0 0

II.—By a company not having a share capital.

1. For registration of a company whose number of members, as stated in the articles of association, does not exceed 20
   Rs. A. p. 40 0 0
2. For registration of a company whose number of members, as stated in the articles of association, exceeds 20, but does not exceed 100, a fee of Rs. 100.

3. For registration of a company whose number of members, as stated in the articles of association, exceeds 100, but is not stated to be unlimited, the above fee of Rs. 100 with an additional Rs. 5 for every 50 members, or less number than 50 members, after the first 100.

4. For registration of a company in which the number of members is stated in the articles of association to be unlimited, a fee of Rs. 400.

5. For registration of any increase on the number of members made after the registration of the company, the same fee as would have been payable in respect of such increase if such increase had been stated in the articles of association at the time of registration:

   Provided that no one company shall be liable to pay on the whole a greater fee than Rs. 400 in respect of its number of members, taking into account the fee paid on the first registration of the company.

6. For registration of any existing company except such companies as are by this Act exempted from payment of fees in respect of registration under this Act the same fee as is charged for registering a new company.

7. For filing any document by this Act required or authorised to be filed, other than the memorandum or the abstract required to be filed with the registrar by a receiver or the statement required to be filed with the registrar by the liquidator in a winding up:

   a. Rs. 5 for filing a statement of accounts,

   b. Rs. 5 for filing any other document.

THE SECOND SCHEDULE.

(See sections 98 and 154.)

FORM I.

The Indian Companies Act, 1913,

STATEMENT IN LIEU OF PROSPECTUS

filed by

.................................................. Limited,

pursuant to section 58 of the Indian Companies Act, 1913.

Presented for filing by

| The nominal share capital of the company | Rs. ................................. |
| Divided into .................................. | shares of Rs. ........ each. |
| Amount (if any) of above capital which consists of redeemable preference shares | shares of Rs. ........ each. |
| The date on or before which these shares are, or are liable, to be redeemed | .................................. |
| Names, descriptions and addresses of directors or proposed directors and managers or proposed managers, and any provision in the articles, or in any contract, as to appointment of and remuneration payable to directors or managers | .................................. |
If the share capital of the company is divided into different classes of shares, the right of voting at meetings of the company conferred by, and the rights in respect of capital and dividends attached to, the several classes of shares respectively.

<table>
<thead>
<tr>
<th>Number and amount of shares and debentures agreed to be issued as fully or partly paid up otherwise than in cash.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. — shares of Rs. ......... fully paid</td>
</tr>
<tr>
<td>2. — shares upon which Rs. ......... per share credited as paid</td>
</tr>
<tr>
<td>3. Debenture Rs. .........</td>
</tr>
<tr>
<td>4. Consideration,</td>
</tr>
</tbody>
</table>

Names and addresses of vendors of property purchased or acquired, or proposed to be purchased or acquired by the company.

<table>
<thead>
<tr>
<th>Amount (in cash, shares or debentures) payable to each separate vendor.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount (if any) paid or payable (in cash or shares or debentures) for any such property, specifying amount (if any) paid or payable for goodwill, Total purchase price</td>
</tr>
<tr>
<td>Cash</td>
</tr>
<tr>
<td>Shares</td>
</tr>
<tr>
<td>Debentures</td>
</tr>
<tr>
<td>Goodwill</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amount (if any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the company; or</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of the commission</td>
</tr>
</tbody>
</table>

The number of shares, if any, which persons have agreed for a commission to subscribe absolutely.

<table>
<thead>
<tr>
<th>Estimated amount of preliminary expenses.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs. .........</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amount paid or intended to be paid to any promoter.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of promoter</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dates of, and parties to every material contract (except contracts entered into in the ordinary course of the business intended to be carried on by the company or contracts, other than contracts appointing or fixing the remuneration of a managing director or managing agent, entered into more than two years before the delivery of this statement).</th>
</tr>
</thead>
</table>

| Time and place at which the contracts or copies thereof may be inspected. |
Names and addresses of the auditors of the company (if any).

Full particulars of the nature and extent of the interest of every director in the promotion of or in the property proposed to be acquired by the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company.

If it is proposed to acquire any business, the amount, as certified by the persons by whom the amounts of the business have been audited, of the net profits of the business in respect of each of the three financial years immediately preceding the date of this statement provided that in the case of a business which has been carried on for less than three years and the accounts of which have only been made up in respect of two years or one year the above requirement shall have effect as if references to two years or one year, as the case may be, were substituted for references to three years, and in any such case the statement shall say how long the business to be acquired has been carried on.

(Signatures of the persons above-named as directors or proposed directors, or of their agents authorised in writing).

Date

FORM II.
The Indian Companies Act, 1913.
STATEMENT IN LIEU OF PROSPECTUS
filed by

pursuant to sub-section (1) of section 154 of the Indian Companies Act, 1913.
Presented for filing by

The nominal share capital of the Company.

Rs. .......... .......... .......... ....

Divided into

Shares of Rs. .......... each.
Shares of Rs. .......... each.
Shares of Rs. .......... each.

Amount (if any) of above capital which consists of redeemable preference shares.

Shares of Rs. .......... each.

The date on or before which these shares are, or are liable, to be redeemed.

.......... .......... .......... ....
### Act VII of 1913 (as amended by Act XXII of 1936)

<table>
<thead>
<tr>
<th>Names, descriptions and addresses of Directors or proposed Directors and Managers or proposed Managers, and any provision in the Articles, or in any contract, as to appointment of and remuneration payable to Directors or Managers.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>If the share capital of the Company is divided into different classes of shares, the right of voting at meetings of the Company conferred by and the rights in respect of capital and dividends attached to the several classes of shares respectively.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Number and amount of shares and debentures issued within the two years preceding the date of this statement as fully or partly paid up otherwise than for cash or agreed to be so issued at the date of this statement.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Names and addresses of vendors of property (1) purchased or acquired by the Company within the two years preceding the date of this Statement or (2) agreed or proposed to be purchased or acquired by the Company.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Amount (in cash, shares or debentures) payable to each separate vendor.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Amount (if any) paid or payable (in cash or shares or debentures) for any such property specifying amount (if any) paid or payable for goodwill.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Amount (if any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the Company; or rate of the commission.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>The number of shares, if any, which persons have agreed for a commission to subscribe absolutely.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Unless more than two years have elapsed since the date on which the Company was entitled to commence business:— Estimated amount of preliminary expenses.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Amount paid or intended to be paid to any promoter. Consideration for the payment.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Dates of, and parties to every material contract (except contracts entered into in the ordinary course of the business intended to be carried on by the Company or contracts, other than contracts appointing or fixing the remuneration of a Managing Director or Managing Agent, entered into more than two years before the delivery of this statement).</th>
</tr>
</thead>
</table>
Companies Act

[Sch. III]

Time and place at which the contracts or copies thereof may be inspected.

Names and addresses of the Auditors of the Company.

Full particulars of the nature and extent of the interest of every Director in the promotion of or in the property purchased or acquired by the Company within the two years preceding the date of this statement or proposed to be acquired by the Company or where the interest of such a Director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by the firm in connection with the promotion of the formation of the Company.

If it is proposed to acquire any business, the amount, as certified by the persons by whom the accounts of the business have been audited, of the net profits of the business in respect of each of the three financial years immediately preceding the date of this statement provided that in the case of a business which has been carried on for less than three years and the accounts of which have only been made up in respect of two years or one year the above requirement shall have effect as if references to two years or one year, as the case may be, were substituted for references to three years, and in any such case the statement shall say how long the business to be acquired has been carried on.

(Signatures of the persons above named as Directors or proposed Directors or of their agents authorised in writing.)

Dated the day of

THE THIRD SCHEDULE.

FORM A.

(See sections 6 and 151).

MEMORANDUM OF ASSOCIATION OF A COMPANY LIMITED BY SHARES.

1st.—The name of the company is "The Eastern Steam Packet Company Limited."

2nd.—The registered office of the company will be situate in the province of Bombay.

3rd.—The objects for which the company is established are "the conveyance of passengers and goods in ships or boats between such places as the company may from time to time determine, and the doing all such other things as are incidental or conducive to the attainment of the above object."

4th.—The liability of the members is limited.

5th.—The share capital of the company is two hundred thousand rupees, divided into one thousand shares of two hundred rupees each.
We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

<table>
<thead>
<tr>
<th>Names, addresses and descriptions of subscribers.</th>
<th>Number of shares taken by each subscriber.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. A. B. of merchant</td>
<td>200</td>
</tr>
<tr>
<td>2. C. D. of</td>
<td>25</td>
</tr>
<tr>
<td>3. E. F. of</td>
<td>25</td>
</tr>
<tr>
<td>4. G. H. of</td>
<td>25</td>
</tr>
<tr>
<td>5. I. J. of</td>
<td>25</td>
</tr>
<tr>
<td>6. K. L. of</td>
<td>25</td>
</tr>
<tr>
<td>7. M. N. of</td>
<td>25</td>
</tr>
</tbody>
</table>

Total shares taken 325

Dated the day of 19.

Witness to the above signatures.

X. Y. of

FORM B.

(See sections 7 and 151).

MEMORANDUM AND ARTICLES OF ASSOCIATION OF A COMPANY LIMITED BY GUARANTEE, AND NOT HAVING A SHARED CAPITAL.

Memorandum of Association.

1st.—The name of the company is “The Mutual Calcutta Marine Association, Limited.

2nd.—The registered office of the company will be situate in Calcutta.

3rd.—The objects for which the company is established are “the mutual insurance of ships belonging to members of the company, and the doing all such other things as are incidental or conducive to the attainment of the above object.”

4th.—The liability of the members is limited.

5th.—Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one hundred rupees.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this memorandum of association.

Names, Addresses and Descriptions of Subscribers.

|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

Dated the day of 19.

Witness to the above signatures.

X. Y. of
ARTICLES OF ASSOCIATION TO ACCOMPANY PRECEDING MEMORANDUM OF ASSOCIATION.

Number of Members.

1. The company for the purpose of registration is declared to consist of five hundred members.

2. The directors hereinafter mentioned may, whenever the business or the association requires it, register an increase of members.

Definition of Members.

3. Every person shall be deemed to have agreed to become a member of the company who insures any ship or share in a ship in pursuance of the regulations hereinafter contained.

General Meetings.

4. The first general meeting shall be held at such time not being less than one month nor more than three months after the incorporation of the company, and at such place, as the directors may determine.

5. A general meeting shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs, and at such place, as the directors shall appoint. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be called by any two members in the same manner as nearly as possible as that in which meetings are to be called by the directors.

6. The above-mentioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

7. The directors may, whenever they think fit, and shall, on a requisition made in writing by any five or more members, call an extraordinary general meeting.

8. Any requisition made by the members must state the object of the meeting proposed to be called, and must be signed by the requisitionists and deposited at the registered office of the company.

9. On receipt of the requisition the directors shall forthwith proceed to call a general meeting: if they do not proceed to cause a meeting to be held within twenty-one days from the date of the requisition being so deposited, the requisitionists or any other five members may themselves call a meeting.

Proceedings at General Meetings.

10. Fourteen days' notice at the least, specifying the place, the day and the hour of meeting, and in case of special business the general nature of the business, shall be given to the members in manner hereinafter mentioned, or in such other manner (if any) as may be prescribed by the company in general meeting; but the non-receipt of such a notice by any member shall not invalidate the proceedings at any general meeting.

11. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting, with the exception of the consideration of the accounts, balance-sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of remuneration of the auditors.

12. No business shall be transacted at any meeting except the declaration of a dividend, unless a quorum of members is present at the commencement of the business. The quorum shall be ascertained as follows: that is to say:—if the members of the company at the time of the meeting do not exceed ten in number, the quorum shall be five; if they exceed ten, there shall be added to the above quorum one for every five additional members with this limitation, that no quorum shall in any case exceed ten.

13. If within one hour from the time appointed for the meeting a quorum of members is not present, the meeting, if called on the requisition of the members, shall be dissolved; in any other case it shall stand adjourned to the same day in the following week at the same time and place; and if at such adjourned meeting a quorum of members is not present, it shall be adjourned sine die.

14. The chairman (if any) of the directors shall preside as chairman at every general meeting of the company.

15. If there is no such chairman, or if at any meeting he is not present at the time of holding the same, the members present shall choose some one of their number to be chairman of that meeting.
16. The chairman may, with the consent of the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

17. At any general meeting, unless a poll is demanded by at least three members, a declaration by the chairman that a resolution has been carried, and an entry to that effect in the book of proceedings of the company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

18. If a poll is demanded in manner aforesaid, the same shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Votes of Members.

19. Every member shall have one vote and no more.

20. If any member is a lunatic or idiot, he may vote by his committee or other legal guardian.

21. No member shall be entitled to vote at any meeting unless all moneys due from him to the company have been paid.

22. On a poll votes may be given either personally or by proxy: Provided that no company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 80 of the Indian Companies Act, 1913, is in force. A proxy shall be appointed in writing under the hand of the appointor; or, if such appointor is a corporation, under its common seal.

23. (1) No person shall act as a proxy unless he is a member, or unless he is appointed to act at the meeting as proxy for a corporation.

(2) The instrument appointing him shall be deposited at the registered office of the company not less than forty-eight hours before the time of holding the meeting at which he proposes to vote.

24. Any instrument appointing a proxy shall be in the following form:—

Company, Limited.

I, being a Member of the

of Company, Limited,

hereby appoint

as my proxy, to vote for me and on my behalf at the (ordinary or extraordinary, as the case may be) general meeting of the company to be held on the

day of thereof. Signed this day of

Directors.

25. The number of the directors and the names of the first directors shall be determined by the subscribers of the memorandum of association.

26. Until directors are appointed, the subscribers of the memorandum of association shall, for all the purposes of the Indian Companies Act, 1913, be deemed to be directors.

Powers of Directors.

27. The business of the company shall be managed by the directors, who may exercise all such powers of the company as are not by the Indian Companies Act, 1913, or by any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting, but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

Elections of Directors.

28. The directors shall be elected annually by the company in general meeting.

Business of Company.

(Here insert rules as to mode in which business of insurance is to be conducted.)

Audit.

29. Auditors shall be appointed and their duties regulated in accordance with sections 144 and 145 of the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force, and for this purpose the said sections shall have effect as if the word "members" were substituted for "shareholders," and as if "first general meeting" were...
Companies Act

Notices.

30. A notice may be given by the company to any member either personally or by sending it by post to him at his registered address.

31. Where a notice is sent by post, service of the notice shall be deemed to have been effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

Names, Addresses and Descriptions of Subscribers.

Dated the day of 19.

Witness to the above signatures,

X. Y., of

FORM C.

(Memorandum and Articles of Association of a Company Limited by Guarantee, and having a Share Capital.

Memorandum of Association.

1st—The name of the company is "The Snowy Range Hotel Company, Limited."

2nd—The registered office of the company will be situate in the province of Bengal.

3rd—The objects for which the company is established are "the facilitating travelling in the Snowy Range, by providing hotels and conveyances by sea and by land for the accommodation of travellers and the doing all such other things as are incidental or conducive to the attainment of the above object."

4th—The liability of the members is limited.

5th—Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company, contracted before he ceases to be a member, and the costs, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding fifty rupees.

6th—The share capital of the company shall consist of five hundred thousand rupees, divided into five thousand shares of one hundred rupees each.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, addresses and descriptions of Subscribers.

<table>
<thead>
<tr>
<th>Number of shares taken by each subscriber.</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;1. A. B. of&quot;</td>
</tr>
<tr>
<td>&quot;2. C. D. of&quot;</td>
</tr>
<tr>
<td>&quot;3. E. F. of&quot;</td>
</tr>
<tr>
<td>&quot;4. G. H. of&quot;</td>
</tr>
<tr>
<td>&quot;5. I. J. of&quot;</td>
</tr>
<tr>
<td>&quot;6. K. L. of&quot;</td>
</tr>
<tr>
<td>&quot;7. M. N. of&quot;</td>
</tr>
</tbody>
</table>

Total shares 325

Dated the day of 19.

Witness to the above signatures,

X. Y., of
Articles of Association to accompany preceding Memorandum of Association,

1. The share capital of the company is five hundred thousand rupees, divided into five thousand shares of one hundred rupees each.
2. The directors may, with the sanction of the company in general meeting, reduce the amount of shares in the company.
3. The directors may, with the sanction of the company in general meeting, cancel any shares belonging to the company.
4. All the articles of Table A of the Indian Companies Act, 1911, shall be deemed to be incorporated with these articles and to apply to the company.

Names, Addresses and Descriptions of Subscribers:

1. A. B. of ... , merchant.
2. C. D. of ...
3. E. F. of ...
4. G. H. of ...
5. I. J. of ...
6. K. L. of ...
7. M. N. of ...

Dated the day of 19... Witness to the above signatures.

Names, addresses and descriptions of Subscribers, | Number of shares taken by each Subscribers.
---|---
1. A. B. of | 3
2. C. D. of | 2
3. E. F. of | 1
4. G. H. of | 2
5. I. J. of | 1
6. K. L. of | 1
7. M. N. of | 1
Total shares taken | 12

Dated the day of 19... Witness to the above signatures.

X. Y., of...
Articles of Association to accompany the preceding Memorandum of Association.

1. The share capital of the company is twenty thousand rupees, divided into twenty shares of one thousand rupees each.

2. All the articles of Table A of the Indian Companies Act, 1913, shall be deemed to be incorporated with these articles and to apply to the company.

Names, Addresses and Descriptions of Subscribers.

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td></td>
<td>merchant</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>J</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Dated the day of 19 :

Witness to the above signatures.

FORM E.

As required by Part II of the Act.

(See section 32)

Summary of Share Capital and Shares of the Company, Limited, made up to the day of 19 (being the day of the first ordinary general meeting in 19).

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal share capital Rs. divided into</td>
<td>shares of Rs. each</td>
</tr>
<tr>
<td>1 shares of Rs. each</td>
<td>Nominal share capital</td>
</tr>
<tr>
<td>Total number of shares taken up to the day of 19 which number must agree with the total shown in the list as held by existing members</td>
<td></td>
</tr>
<tr>
<td>Number of shares issued subject to payment wholly in cash</td>
<td></td>
</tr>
<tr>
<td>Number of shares issued as fully paid up otherwise than in cash</td>
<td></td>
</tr>
<tr>
<td>Number of shares issued as partly paid up to the extent of per share otherwise than in cash</td>
<td></td>
</tr>
<tr>
<td>There has been called up on each of shares</td>
<td>Rs.</td>
</tr>
<tr>
<td>There has been called up on each of shares</td>
<td>Rs.</td>
</tr>
<tr>
<td>Total amount of calls received, including payments on application and allotment</td>
<td>Rs.</td>
</tr>
<tr>
<td>Total amount (if any) agreed to be considered as paid on shares which have been issued as partly paid up to the extent of per share</td>
<td>Rs.</td>
</tr>
<tr>
<td>Total amount of calls unpaid</td>
<td>Rs.</td>
</tr>
<tr>
<td>Total amount (if any) of sums paid by way of commission in respect of shares or debentures or allowed by way of discount since date of last summary</td>
<td>Rs.</td>
</tr>
<tr>
<td>Total amount (if any) paid on § shares forfeited</td>
<td>Rs.</td>
</tr>
<tr>
<td>Total amount of shares and stock for which share-warrants are outstanding</td>
<td>Rs.</td>
</tr>
<tr>
<td>Total amount of share-warrants issued and surrendered respectively since date of last summary</td>
<td>Rs.</td>
</tr>
<tr>
<td>Number of shares or amount of stock comprised in each share-warrant</td>
<td>Rs.</td>
</tr>
<tr>
<td>Total amount of debt due from the company in respect of all mortgages and charges which are required to be registered under this Act</td>
<td>Rs.</td>
</tr>
</tbody>
</table>

* When there are shares of different kinds or amounts (e.g., Preference and Ordinary or Rs. 200 or Rs. 100), state the numbers and nominal values separately.

† Where various amounts have been called or there are shares of different kinds, state them separately.

‡ Include what has been received on forfeited as well as on existing shares.

§ State the aggregate number of shares forfeited.
List of Persons holding shares in the Company, Limited, on the day of 19, and of persons who have held shares therein at any time since the date of the last return, showing their names and addresses and an account of the shares so held.

<table>
<thead>
<tr>
<th>Names, Addresses and Occupations</th>
<th>Account of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Folio in register ledger containing particulars</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Names and addresses of the persons who are the Directors of the Company, Limited, on the day of 19.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Names.</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Names and addresses of the persons who are the Managers of the Company, Limited, on the day of 19.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Names.</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Note.—Banking companies must add a list of all their places of business.

I, do hereby certify that the above list and summary truly and correctly states the facts as they stood on day of 19.

(State whether director, manager or secretary.)

* State the aggregate number of shares forfeited (if any).
† The aggregate number of shares held, and not the distinctive numbers, must be stated and the column must be added up throughout so as to make one total to agree with that stated in the summary to have been taken up.
‡ When the shares are of different classes, these columns may be sub-divided so that the number of each class held or transferred may be shown separately.
§ The date of registration of each transfer should be given as well as the number of shares transferred on each date. The particulars should be placed opposite the name of the transferor and not opposite that of the transferee, but the name of the transferee may be inserted in the remarks column immediately opposite the particulars of each transfer.
<table>
<thead>
<tr>
<th>CAPITAL AND LIABILITIES</th>
<th>Rs.</th>
<th>A.</th>
<th>P.</th>
<th>Rs.</th>
<th>A.</th>
<th>P.</th>
<th>PROPERTY AND ASSETS</th>
<th>Rs.</th>
<th>A.</th>
<th>P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Fixed Capital Expenditure—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(Distinguishing as far as possible between expenditure upon good will, land, buildings, lease-holds, railway sidings, plant, machinery, furniture, development of property, patents, trade marks and designs, interest paid out of Capital during construction, etc., and stating in every case the original cost and the additions thereto and deductions therefrom during the year, and the total Depreciation written off under each head. Where sums have been written off on a reduction of capital or a revaluation of assets every balance-sheet after the first balance-sheet subsequent to the reduction or revaluation shall show the reduced figures, with the date of and the amount of the reduction made.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Preliminary Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares issued as fully paid up pursuant to any contract without payments being received in cash...shares of Rs...each</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Commission or Brokerage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares issued for payments in cash...shares of Rs...each</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(Commission or Brokerage paid for under-writing or placing or subscribing shares or debentures until written off.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscribed Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Discount allowed on the issue of shares or so much as has not been written off at the date of the balance sheet.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount called up at Rs...per share...</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Stores and spare Parts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Call unpaid...</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Loose Tools</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from Managing Agents...</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Live-stock and vehicles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Stock in trade</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add—Forfeited shares (amount paid up)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note.—Where circumstances permit issued and subscribed capital and amount called up may be shown as one item, e.g., Issued and Subscribed Capital, shares of Rs...each, Rs...paid up.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debentures stating the nature of security</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any Sinking Fund</td>
<td>Any other Fund Created out of Net Profits, including any Development Fund</td>
<td>Any Pension or Insurance Fund</td>
<td>Provision for Bad and Doubtful Debts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans—</td>
<td>(a) Secured—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(i) loans on mortgages or fixed assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(ii) loans on debentures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(iii) loans from banks, stating the nature of security</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(iv) liabilities to subsidiary companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(v) other secured loans, stating the nature of security</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(vi) interest accrued on mortgages, debentures or other secured loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Unsecured—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(i) loans from banks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(ii) fixed deposits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(iii) short-term loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(iv) advances by directors or managers and managing agents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(v) interest accruing but not due and interest accrued and due</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(vi) liabilities to subsidiary companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unclaimed Dividends</td>
<td>For Goods supplied</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities—</td>
<td>For Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>For Acceptances</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>For Other Finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance payments and unexpired discounts</td>
<td>(For the portion for which value has still to be given, e.g., in the case of the following classes of companies, Newspaper, Fire Insurance, Theatre, Club, Banking, Steamship Companies, etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bills of exchange</td>
<td>Book Debts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Distinguishing between those considered good and in respect of which the company is fully secured and those considered good for which the company holds no security other than the debtor's personal security, and distinguishing between debts considered good and debts considered doubtful or bad. Debts due by directors or other officers of the company or any of them either severally or jointly with any other persons to be separately stated.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Showing nature of investments and mode of valuation, e.g., Cost or Market value and distinguishing—(i) investments in Government or trust securities (ii) investments in shares, debentures or bonds (showing separately shares fully paid up and partly paid up) (iii) investments in shares, debentures or bonds of subsidiary companies (iv) immovable properties Interest accrued on Investments Cash and other Balances Amount in hand Balances with Agents and Bankers (in detail showing whether on deposit or current account, etc.).)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Contingent Liabilities

<table>
<thead>
<tr>
<th>Profit and Loss</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>Profit and Loss</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims against the company not acknowledged as debts</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money for which the company is contingently liable</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Showing separately the amount of any guarantees given by the company on behalf of directors or officers of the company.)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arrears of Cumulative Preference Dividends</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The information required to be given under any of the items or sub-items in this Form if not included in the Balance-Sheet itself shall be furnished in a separate Schedule or Schedules to be attached to and to form part of the Balance Sheet.
FORM G.

(See section 136.)

FORM OF STATEMENT TO BE PUBLISHED BY BANKING AND INSURANCE COMPANIES AND DEPOSIT, PROVIDENT, OR BENEFIT SOCIETIES.

The share capital of the company is Rs. \( \frac{\text{divided into}}{\text{shares of Rs. each}} \).

The number of shares issued is \( \frac{\text{calls to the amount of Rs. \text{per share have been made,}}}{\text{under which the sum of Rs. has been received.}} \).

The liabilities of the company on the thirty-first day of December (or thirtieth of June) were:

Debts owing to sundry persons by the company:
- Under decree, Rs.
- On mortgages or bonds, Rs.
- On notes, bills or hundis, Rs.
- On other contracts, Rs.
- On estimated liabilities, Rs.

The assets of the company on that day were:
- Government securities (stating them), Rs.
- Bills of exchange, hundis and promissory notes, Rs.
- Cash at the Bankers, Rs.
- Other securities, Rs.

FORM H.

(See section 277.)

INFORMATION TO BE SUPPLIED IN OR IN ADDITION TO THE INFORMATION CONTAINED IN THE BALANCE-SHEET OF A COMPANY REFERRED TO IN PART X.

Liabilities.

1. Summary of Authorised Share Capital and Issued Share Capital.

2. Redeemable Preference Shares, stating date on or before which the shares are or are liable to be redeemed.


4. Redeemed debentures which the Company has power to re-issue.

5. Loans (a) secured, stating the nature of the Security; (b) unsecured.

6. Loans from Banks:— {a) Secured, stating nature of security; (b) Unsecured.

7. Profit and Loss Account, showing (unless disclosed in a separate account):—

- Balance as per previous Balance-Sheet.
- Appropriation thereof.
- Profit since last Balance-Sheet.

8. Contingent Liabilities.


Assets.

1. Fixed Assets, with sufficient particulars to disclose their general nature, and stating how their values are arrived at.

2. Preliminary expenses, so far as not written off.

3. Any expenses incurred in connection with any issue of Share Capital or Debentures, so far as not written off.

4. If it is shown as a separate item in or is otherwise ascertainable from the books of the Company, or from any concert for the sale or purchase of any property to be acquired by the Company, or from any documents in the possession of the Company relating to the stamp duty payable in respect of any such contract or the conveyance of any such property the amount of the goodwill and of any patents and trade marks as so shown or ascertained.

5. Interest paid on Capital, so far as not written off, showing the Share Capital on which and the rate at which interest has been paid out of Capital during the period to which the accounts relate.

* If the company has no capital divided into shares, the portion of the statement relating to capital and share must be omitted.
6. Discount allowed on Shares issued, so far as not written off.
7. Commission paid or allowed in respect of any shares or debentures, so far as not written off.
8. Loans outstanding to enable employees or trustees on their behalf to purchase shares in the Company.
9. Particulars showing:
   (a) the amount of any loans which during the period to which the accounts relate have been made either by the Company or by any other person under a guarantee from or on a security provided by the Company to any director or officer of the Company, including any such loans which were repaid during the said period;
   and
   (b) the amount of any loans made in manner aforesaid to any director or officer at any time before the period aforesaid and outstanding at the expiration thereof;
   and
   (c) the total of the amount paid to the directors as remuneration for their services, inclusive of all fees, percentages, or other emoluments, paid to or receivable by them by or from the Company or by or from any subsidiary Company.

Note (1)—There shall not be required to be shown:
   (a) in the case of a Company the ordinary business of which includes the lending of money, loans made by the Company in the ordinary course of its business;
   or
   (b) loans made by the Company to any employee of the Company if the loan does not exceed twenty thousand rupees and is certified by the directors of the Company to have been made in accordance with any practice adopted or about to be adopted by the Company with respect to loans to its employees.

Note (2)—The foregoing shall not apply in relation to a Managing Director of the Company, and in the case of any other director who holds any salaried employment or office in the Company there shall not be required to be included in the said total amount any sums paid to him except sums paid by way of directors' fees.

When a company is a holding company then the Balance-Sheet shall disclose the particulars required by section 132A.

THE FOURTH SCHEDULE.
(See section 290.)

<table>
<thead>
<tr>
<th>Year</th>
<th>No.</th>
<th>Subject or short title.</th>
<th>Extent of repeal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1882</td>
<td>VI</td>
<td>The Indian Companies Act, 1882</td>
<td>So much as has not been repeated.</td>
</tr>
<tr>
<td>1887</td>
<td>VI</td>
<td>The Indian Companies Act (1882) Amendment Act, 1887.</td>
<td>The whole.</td>
</tr>
<tr>
<td>1891</td>
<td>XII</td>
<td>The Amending Act, 1891</td>
<td>So much of the Second Schedule as relates to the Indian Companies Act, 1882.</td>
</tr>
<tr>
<td>1895</td>
<td>XII</td>
<td>The Indian Companies (Memorandum of Association) Act, 1895.</td>
<td>The whole.</td>
</tr>
<tr>
<td>1899</td>
<td>IX</td>
<td>The Indian Arbitration Act, 1899</td>
<td>The second proviso to section 3 relating to the Indian Companies Act, 1882.</td>
</tr>
<tr>
<td>1900</td>
<td>IV</td>
<td>The Indian Companies (Branch Registers) Act, 1900.</td>
<td>The whole.</td>
</tr>
<tr>
<td>1910</td>
<td>IV</td>
<td>The Indian Companies (Amendment) Act, 1910.</td>
<td>The whole.</td>
</tr>
</tbody>
</table>
THE COMPANIES (FOREIGN INTERESTS) ACT

(XX OF 1918.)

[Passed on the 25th September, 1918.]

An Act to take power to prohibit the alteration, except with the sanction of the Governor General in Council, of Articles of Association which restrict foreign interests in certain Companies, and to provide for other purposes connected therewith.

WHEREAS it is expedient to take power to prohibit the alteration, except with the sanction of the Governor General in Council, of articles of association which restrict foreign interests in certain companies, and to provide for other purposes connected therewith; It is hereby enacted as follows:—

1. This Act may be called the Indian Companies (Foreign Interests) Act, 1918.

Definitions.

2. (1) In this Act—

(a) the expression "British subject" has the same meaning as in section 22 of the British Nationality and Status of Aliens Act, 1914, but shall include any person who holds a certificate of naturalization as a British subject granted under any Act of the Governor General in Council for the time being in force, and any association incorporated in any part of His Majesty's dominions: Provided that the said expression shall, for the purposes of this Act, be deemed to apply to any subject of a State in India;

(b) the expression "restrictive provision" means any provision in the articles of association of a company which, in the opinion of the Governor General in Council, is designed to restrict or limit or has the effect of restricting or limiting the share or shares or interest which may be held, or the rights, powers or authority which may be conferred upon or exercised by or on behalf of persons other than British subjects in the company, or in respect of the control, management or direction of the affairs thereof.

(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.

3. This Act shall apply to such companies as the Governor General in Council may, by notification in the Gazette of India, declare to be companies with restrictive provisions, and any such notification shall specify the restrictive provisions.
4. So long as a notification issued under section 3 is in force in respect of any company, notwithstanding anything to the contrary in any other Act—

(1) no alteration of the articles of association of the company affecting either directly or indirectly any restrictive provision shall be of any effect until it has received the consent in writing of the Governor General in Council;

(2) a resolution for the voluntary winding up of the company shall be of no effect unless the Governor General in Council authorizes or ratifies it by a written consent;

(3) any Court which has jurisdiction to wind up the company may, in its discretion, refuse to make a winding up order. In the exercise of its discretion the Court shall be guided by the consideration whether the winding up is bona fide with a view to the discontinuance of the undertaking, or is with a view to continuing the undertaking freed either wholly or in part from any restrictive provision;

(4) the Governor General in Council in giving consent, or the Court in making a winding up order, as the case may be, may impose such terms or conditions for giving effect to the purposes of this Act as he or it thinks fit.
THE
INDIAN COMPANIES ACT
(VII OF 1913)

Sections of the Act after its Amendment by Act XXII of 1936 placed in
juxtaposition with the corresponding Sections of the Act
as existing prior to its Amendment.
THE INDIAN COMPANIES ACT
(VII or 1913)

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(1) "articles" means the articles of association of a company as originally framed or as altered by special resolution, including, so far as they apply to the company, the regulations contained (as the case may be) in Table B in the Schedule annexed to Act No. XIX of 1857 or in Table A in the First Schedule annexed to the Indian Companies Act, 1882, or in Table A in the First Schedule annexed to this Act:

(2) "company" means a company formed and registered under this Act or an existing company:

(3) "the Court" means the Court having jurisdiction under this Act:

(4) "debenture" includes debenture stock:

(5) "director" includes any person occupying the position of a director by whatever name called:

(6) "District Court" means the principal Civil Court of original jurisdiction in a district, but does not include a High Court in the exercise of its ordinary original civil jurisdiction:

(7) "existing company" means a company formed and registered under the Indian Companies Act, 1886, or under any Act or Acts repealed thereby, or under the Indian Companies Act, 1882:

(8) "Insurance company" means a company that carries on the business of insurance either solely or in common with any other business or businesses:

(9) "manager" includes any person occupying the position of a manager by whatever name called and whether under a contract of service or not:

(10) "memorandum" means the memorandum of association of a company as originally framed or as altered in pursuance of the provisions of this Act:
THE INDIAN COMPANIES ACT
(1913)

[Sections of the Act after its Amendment by Act XXII of 1936].

Definitions.

2. (1) In this Act, unless there is anything repugnant in the subject or context—

(1) "articles" means the articles of association of a company as originally framed or as altered by special resolution, including, so far as they apply to the company, the regulations contained (as the case may be) in Table B in the Schedule annexed to Act XIX of 1857 or in Table A in the First Schedule annexed to the Indian Companies Act, 1882, or in Table A in the First Schedule annexed to this Act:

(2) "company" means a company formed and registered under this Act or an existing company:

(3) "the Court" means the Court having jurisdiction under this Act:

(4) "debenture" includes debenture stock;

(5) "director" includes any person occupying the position of a director by whatever name called:

(6) "District Court" means the principal Civil Court of original jurisdiction in a district, but does not include a High Court in the exercise of its ordinary original civil jurisdiction;

(7) "existing company" means a company formed and registered under the Indian Companies Act, 1866, or under any Act or Acts repealed thereby, or under the Indian Companies Act, 1882:

(8) "Insurance company" means a company that carries on the business of insurance either solely or in common with any other business or businesses:

(9) "manager" means a person who, subject to the control and direction of the directors, has the management of the whole affairs of a company, and includes a director or any other person occupying the position of a manager by whatever name called:

(9A) "managing agent" means a person, firm or company entitled to the management of the whole affairs of a company by virtue of an agreement with the company, and under the control and direction of the directors except to the extent, if any, otherwise provided for in the agreement, and includes any person, firm or company occupying such position by whatever name called:

Explanation.—If a person occupying the position of a managing agent calls himself a manager he shall nevertheless be regarded as managing agent and not as manager for the purposes of this Act.

(10) "memorandum" means the memorandum of association of a company as originally framed or as altered in pursuance of the provisions of this Act:
(11) "officer" includes any director, manager or secretary but, save in sections 235, 236, and 237, does not include an auditor:

(12) "prescribed" means, as respects the provisions of this Act relating to the winding up of companies, prescribed by rules made by the High Court, and, as respects the other provisions of this Act, prescribed by the Governor General in Council:

(13) "private company" means a company which

(i) by its articles—

(a) restricts the right to transfer its shares; and

(b) limits the number of its members (exclusive of persons who are in the employ of the company) to fifty; and

(c) prohibits any invitation to the public to subscribe for any shares or debentures of the company; and

(ii) continues to observe such restrictions, limitations and prohibitions:

Provided that where two or more persons hold one or more shares in a company jointly they shall, for the purposes of this definition, be considered as a single member:

(14) "prospectus" means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of a company:

(15) "the registrar" means a registrar or assistant registrar performing under this Act the duty of registration of companies:

(16) "share" means share in the share capital of the company, and includes stock except when a distinction between stock and shares is expressed or implied.
New S. 2] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) V

(11) "officer" includes any director, managing agent, manager or secretary but, save in section 235, 236, and 237, does not include an auditor:

(12) "prescribed" means, as respects the provisions of this Act relating to the winding up of companies, prescribed by rules made by the High Court, and, as respects the other provisions of this Act, prescribed by the Governor General in Council:

(13) "private company" means a company which by its articles—

(a) restricts the right to transfer the shares, if any; and

(b) limits the number of its members to fifty not including persons who are in the employment of the company; and

(c) prohibits any invitation to the public to subscribe for the shares, if any, or debentures of the company:

Provided that where two or more persons hold one or more shares in a company jointly they shall, for the purposes of this definition, be treated as a single member:

(12A) 'public company' means a company incorporated under this Act or under the Indian Companies Act, 1882, or under the Indian Companies Act, 1866, or under any Act repealed thereby, which is not a private company:

(14) "prospectus" means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of a company, but shall not include any trade advertisement which shows on the face of it that a formal prospectus has been prepared and filed:

(15) "the registrar" means a registrar or assistant registrar performing under this Act the duty of registration of companies: and

(16) "share" means share in the share capital of the company, and includes stock except when a distinction between stock and shares is expressed or implied.

(2) Where the assets of a company consist in whole or in part of shares in another company, whether held directly or through a nominee and whether that other company is a company within the meaning of this Act or not, and

(a) the amount of the shares so held is at the time when the accounts of the holding company are made up more than fifty per cent. of the issued share capital of that other company or such as to entitle the company to more than fifty per cent. of the voting power in that other company, or

(b) the company has power (not being power vested in it by virtue only of the provisions of a debenture trust deed or by virtue of shares issued to it for the purpose in pursuance of those provisions) directly or indirectly to appoint the majority of the directors of that other company,

that other company shall be deemed to be a subsidiary company within the meaning of this Act, and the expression "subsidiary company" in this Act means a company in the case of which the conditions of this sub-section are satisfied and includes a subsidiary company of such company:

Provided that where a company the ordinary business of which includes the lending of money holds shares in another company as security only, no account shall, for the purpose of determining under this section whether that other company is a subsidiary company, be taken of the shares so held.
4. (1) No company, association or partnership consisting of more than ten persons shall be formed for the purpose of carrying on the business of banking unless it is registered as a company under this Act, or is formed in pursuance of an Act of Parliament or some other Act of the Governor General in Council, or of Royal Charter or Letters Patent.

(2) No company, association or partnership consisting of more than twenty persons shall be formed for the purpose of carrying on any other business that has for its object the acquisition of gain by the company, association or partnership, or by the individual members thereof unless it is registered as a company under this Act, or is formed in pursuance of an Act of Parliament or some other Act of the Governor General in Council, or of Royal Charter or Letters Patent.

9. The memorandum shall be signed by each subscriber in the presence of at least one witness who shall attest the signature.

10. A company shall not alter the conditions contained in its memorandum except in the cases and in the mode and to the extent for which express provision is made in this Act.

11. (1) A company shall not be registered by a name identical with that by which a company in existence is already registered, or so nearly resembling that name as to be calculated to deceive, except where the company in existence is in the course of being dissolved and signifies its consent in such manner as the registrar requires.

(2) If a company, through inadvertence or otherwise, is, without such consent as aforesaid, registered by a name identical with that by which a company in existence is previously registered, or so nearly resembling it as to be calculated to deceive, the first-mentioned company may, with the sanction of the registrar, change its name.
4. (1) No company, association or partnership consisting of more than ten persons shall be formed for the purpose of carrying on the business of banking unless it is registered as a company under this Act, or is formed in pursuance of an Act of Parliament or some other Act of the Governor General in Council, or of Royal Charter or Letters Patent.

(2) No company, association or partnership consisting of more than twenty persons shall be formed for the purpose of carrying on any other business that has for its object the acquisition of gain by the company, association or partnership, or by the individual members thereof, unless it is registered as a company under this Act, or is formed in pursuance of an Act of Parliament or some other Act of the Governor General in Council or of Royal Charter or Letters Patent.

(3) This section shall not apply to a joint family carrying on joint family trade or business and where two or more such joint families form a partnership, in computing the number of persons for the purposes of this section, minor members of such families shall be excluded.

(4) Every member of a company, association or partnership carrying on business in contravention of this section shall be personally liable for all liabilities incurred in such business.

(5) Any person who is a member of a company, association or partnership formed in contravention of this section shall be punishable with fine not exceeding one thousand rupees.

9. The memorandum shall—

(a) be printed,

(b) be divided into paragraphs numbered consecutively, and

(c) be signed by each subscriber (who shall add his address and description) in the presence of at least one witness who shall attest the signature.

10. A company shall not alter the conditions contained in its memorandum except in the cases and in the extent for which express provision is made in this Act.

Provided that any provision in the memorandum relating to the appointment of a manager or managing agent and other matters of a like nature incidental or subsidiary to the main objects of the company, shall not be deemed to be such condition.

11. (1) A company shall not be registered by a name identical with that by which a company in existence is already registered, or so nearly resembling that name as to be calculated to deceive, except where the company in existence is in the course of being dissolved and signifies its consent in such manner as the registrar requires.

(2) If a company, through inadvertence or otherwise, is, without such consent as aforesaid, registered by a name identical with that by which a company in existence is previously registered, or so nearly resembling it as to be calculated to deceive, the first-mentioned company may, with the sanction of the registrar, change its name.
VIII COMPANIES ACT (VII of 1913)

(3) A company shall not be registered by a name which contains any of the following words, namely:—"Crown," "Emperor," "Empire," "Empress," "Imperial," "King," "Queen," "Royal," "Bank of Bengal," "Bank of Madras," "Bank of Bombay," or words expressing or implying the sanction, approval or patronage of the Crown or the Government of India or a Local Government, except where the Governor General in Council signifies his consent to the use of such words as part of the name of the company by order in writing under the hand of one of the Secretaries to the Government of India:

Provided that nothing in this sub-section shall apply to companies registered before the commencement of this Act.

(4) Any company may, by special resolution and subject to the approval of the Local Government signified in writing, under the hand of one of the Secretaries to such Government, change its name.

(5) Where a company changes its name, the registrar shall enter the new name on the register in place of the former name, and shall issue a certificate of incorporation altered to meet the circumstances of the case. On the issue of such a certificate, the change of name shall be complete.

(6) The change of name shall not affect any rights or obligations of the company, or render defective any legal proceedings by or against the company; and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced against it by its new name.

12. (1) Subject to the provisions of this Act, a company may, by special resolution, alter the provisions of its memorandum so as to change the place of the registered office from one province to another, or with respect to the objects of the company, so far as may be required to enable it—

(a) to carry on its business more economically or more efficiently; or
(b) to attain its main purpose by new or improved means; or
(c) to enlarge or change the local area of its operations; or
(d) to carry on some business which under existing circumstances may conveniently or advantageously be combined with the business of the company; or
(e) to restrict or abandon any of the objects specified in the memorandum.

(2) The alteration shall not take effect until and except in so far as it is confirmed by the Court on petition.

(3) Before confirming the alteration, the Court must be satisfied—

(a) that sufficient notice has been given to every holder of debentures of the company, and to any persons or class of persons
(3) Except with the previous consent in writing of the Governor General in Council, no company shall be registered by a name which—

(a) contains any of the following words, namely, 'Crown', 'Emperor', 'Empire', 'Empress', 'Federal', 'Imperial', 'King', 'Queen', 'Royal', 'State', 'Reserve Bank', 'Bank of Bengal', 'Bank of Madras', 'Bank of Bombay', or any word which suggests or is calculated to suggest the patronage of His Majesty or of any member of the Royal Family or any connection with His Majesty's Government or any department thereof; or

(b) contains the word 'Municipal' or 'Chartered' or any word which suggests or is calculated to suggest connection with any municipality or other local authority or with any society or body incorpo- rated by Royal Charter:

Provided that nothing in this sub-section shall apply to companies registered before the commencement of this Act.

(4) Any company may, by special resolution and subject to the approval of the Local Government signified in writing, under the hand of one of the Secretaries to such Government, change its name.

(5) Where a company changes its name, the registrar shall enter the new name on the register in place of the former name, and shall issue a certificate of incorporation altered to meet the circumstances of the case. On the issue of such a certificate, the change of name shall be complete.

(6) The change of name shall not affect any rights or obligations of the company, or render defective any legal proceedings by or against the company; and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced against it by its new name.

12. (1) Subject to the provisions of this Act, a company may, by special resolution, alter the provisions of its memorandum so as to change the place of the registered office from one province to another, or with respect to the objects of the company, so far as may be required to enable it—

(a) to carry on its business more economically or more efficiently; or

(b) to attain its main purpose by new or improved means; or

(c) to enlarge or change the local area of its operations; or

(d) to carry on some business which under existing circumstances may conveniently or advantageously be combined with the business of the company; or

(e) to restrict or abandon any of the objects specified in the memorandum; or

(f) to sell or dispose of the whole or any part of the undertaking of the company; or

(g) to amalgamate with any other company or body of persons.

(2) The alteration shall not take effect until and except in so far as it is confirmed by the Court on petition.

(3) Before confirming the alteration, the Court must be satisfied—

(a) that sufficient notice has been given to every holder of debentures of the company, and to any person or class of
COMPANIES ACT (VII of 1913)

[Old S. 17]

X

whose interests will, in the opinion of the Court, be affected by, the alteration; and

(b) that, with respect to every creditor who in the opinion of the Court is entitled to object, and who signifies his objection in manner directed by the Court, either his consent to the alteration has been obtained or his debt or claim has been discharged or has determined, or has been secured to the satisfaction of the Court.

Provided that the Court may, in the case of any person or class, for special reasons, dispense with the notice required by this section.

17. (1) There may, in the case of a company limited by shares, and there shall, in the case of a company limited by guarantee articles of association signed by the subscribers to the memorandum and prescribing regulations for the company.

(2) Articles of association may adopt all or any of the regulations contained in Table A in the First Schedule.

(3) In the case of an unlimited company or a company limited by guarantee, the articles, if the company has a share capital, shall state the amount of share capital with which the company proposes to be registered.

(4) In the case of an unlimited company or a company limited by guarantee, if the company has not a share capital, the articles shall state the number of members with which the company proposes to be registered, for the purpose of enabling the registrar to determine the fees payable on registration.

Form and signature

19. Articles shall—

(a) be printed;

(b) be divided into paragraphs numbered consecutively, and

(c) be signed by each subscriber of the memorandum of association in the presence of at least one witness who must attest the signature.
persons whose interests will, in the opinion of the Court, be affected by the alteration; and
(b) that, with respect to every creditor who in the opinion of the Court is entitled to object, and who signifies his objection in manner directed by the Court, either his consent to the alteration has been obtained or his debt or claim has been discharged or has determined, or has been secured to the satisfaction of the Court.

Provided that the Court may, in the case of any person or class, for special reasons, dispense with the notice required by this section.

17. (1) There may, in the case of a company limited by shares, and there shall, in the case of a company limited by guarantee or unlimited, be registered with the memorandum, articles of association signed by the subscribers to the memorandum and prescribing regulations for the company.

(2) Articles of association may adopt all or any of the regulations contained in Table A in the First Schedule and shall in any event be deemed to contain regulations identical with or to the same effect as regulation 56, regulation 60, regulation 71, regulations 79, 80, 81 and 82, regulation 86, regulation 97, regulation 105, regulation 107 and regulations 113, 115, and 116 contained in that Table:

Provided that regulation 82 shall not be deemed to be included in the articles of any private company except a private company which is the subsidiary company of a public company:

Provided further that regulation 107 shall be deemed to require that a statement of the reasons why of the whole amount of any item of expenditure which may in fairness be distributed over several years, only a portion thereof is charged against the income of the year, shall be shown in the profit and loss account, unless the company in general meeting shall determine otherwise.

(3) In the case of an unlimited company or a company limited by guarantee, the articles, if the company has a share capital, shall state the amount of share capital with which the company proposes to be registered.

(4) In the case of an unlimited company or a company limited by guarantee, if the company has not a share capital, the articles shall state the number of members with which the company proposes to be registered, for the purpose of enabling the registrar to determine the fees payable on registration.

Form and signature of articles.

(a) be printed;
(b) be divided into paragraphs numbered consecutively; and
(c) be signed by each subscriber of the memorandum (who shall add his address and description) of association in the presence of at least one witness who must attest the signature.

20A. Notwithstanding anything in the memorandum or articles of a company, no member of the company shall be bound by an alteration made in the memorandum or articles after the date on which he became a member if and so far as the alteration requires him to take or subscribe for more
25. (1) Every company shall send to every member, at his request, and on payment of one rupee or such less sum as the company may prescribe, a copy of the memorandum and of the articles (if any).

(2) If a company makes default in complying with the requirements of this section, it shall be liable for each offence to a fine not exceeding ten rupees.

26. (1) Where it is proved to the satisfaction of the Local Government that an association capable of being formed as a limited company has been or is about to be formed for promoting commerce, art, science, religion, charity, or any other useful object, and applies or intends to apply its profits (if any) or other income in promoting its objects, and to prohibit the payment of any dividend to its members, the Local Government may, by license under the hand of one of its Secretaries, direct that the association be registered as a company with limited liability, without the addition of the word "Limited" to its name, and the association may be registered accordingly.

(2) A license by the Local Government under this section may be granted on such conditions and subject to such regulations as the Local Government thinks fit, and those conditions and regulations shall be binding on the association, and shall, if the Local Government so directs, be inserted in the memorandum and articles, or in one of those documents.

(3) The association shall on registration enjoy all the privileges of limited companies, and be subject to all their obligations, except those of using the word "Limited" as any part of its name, and of publishing its name, and of filing lists of members and directors and managers with the registrar.

(4) A license under this section may at any time be revoked by the Local Government, and upon revocation the registrar shall enter the word "Limited" at the end of the name of the association upon the register, and the association shall cease to enjoy the exemptions and privileges granted by the section.
25. (1) Every company shall send to every member, at his request and within fourteen days thereof and on payment of one rupee or such less sum as the company may prescribe, a copy of the memorandum and of the articles (if any).

(2) If a company makes default in complying with the requirements of this section, it shall be liable for each offence to a fine not exceeding ten rupees.

25A. (1) Where an alteration is made in the memorandum or articles of a company, every copy of the memorandum or articles issued after the date of the alteration shall be in accordance with the alteration.

(2) If, where any such alteration has been made, the company at any time after the date of the alteration issues any copies of the memorandum or articles which are not in accordance with the alteration, it shall be liable to a fine not exceeding ten rupees for each copy so issued and every officer of the company who is knowingly and wilfully in default shall be liable to the like penalty.

26. (1) Where it is proved to the satisfaction of the Local Government that an association capable of being formed as a limited company has been or is about to be formed for promoting commerce, art, science, religion, charity, or any other object of a charitable and useful character, and applies or intends to apply its profits (if any) or other income in promoting its objects, and to prohibit the payment of any dividend to its members, the Local Government may, by license under the hand of one of its Secretaries, direct that the association be registered as a company with limited liability, without the addition of the word “Limited” to its name, and the association may be registered accordingly.

(2) A license by the Local Government under this section may be granted on such conditions and subject to such regulations as the Local Government thinks fit, and those conditions and regulations shall be binding on the association, and shall, if the Local Government so directs, be inserted in the memorandum and articles, or in one of those documents.

(3) The association shall on registration enjoy all the privileges of limited companies, and be subject to all their obligations, except those of using the word “Limited” as any part of its name, and of publishing its name, and of sending lists of members to the registrar.

(4) A license under this section may at time be revoked by the Local Government, and upon revocation the registrar shall enter the word “Limited” at the end of the name of the association upon the register, and the association shall cease to enjoy the exceptions and privileges granted by this section.
32. (1) Every company having a share capital shall once at least in

Annual list to mem-

bers and summary.

every year make a list of all persons who, on the day of

the first or only ordinary general meeting in the year, are

members of the company, and of all persons who have
ceased to be members since the date of the last return or (in the case of the
first return) of the incorporation of the company.

(2) The list shall state the names, addresses, and occupations of all the
past and present members therein mentioned, and the number of shares held
by each of the existing members at the date of the return, specifying shares
transfered since the date of the last return or (in the case of the first
return) of the incorporation of the company by persons who are still members
and persons who have ceased to be members respectively and the dates of
registration of the transfers, and shall contain a summary distinguishing
between shares issued for cash and shares issued as fully or partly paid up
otherwise than in cash, and specifying the following particulars:—

(a) the amount of the share capital of the company, and the number
of the shares into which it is divided;
(b) the number of shares taken from the commencement of the com-
pany up to the date of the return;
(c) the amount called up on each share;
(d) the total amount of calls received;
(e) the total amount of calls unpaid;
(f) the total amount of the sums (if any) paid by way of commis-

sion in respect of any shares or debentures, or allowed by way
of discount in respect of any debentures, since the date of
the last return;

(g) the total number of shares forfeited;

(h) the total amount of shares or stock for which share-warrants
are outstanding at the date of the return;

(i) the total amount of share-warrants issued and surrendered res-
pectively since the date of the last return;

Provided that, before a license is so revoked, the Local Government shall
give to the association notice in writing of its intention, and shall afford
the association an opportunity of submitting a representation in opposition
to the revocation.
Provided that, before a license is so revoked, the Local Government shall give to the association notice in writing of its intention, and shall afford the association an opportunity of submitting a representation in opposition to the revocation.

31A. (1) Every company having more than fifty members shall, unless the register of members is in such a form as to constitute itself an index, keep an index of the names of the members of the company and shall within fourteen days after the date on which any alteration is made in the register of members make any necessary alteration in the index.

(2) The index, which may be in the form of a card index, shall in respect of each member contain a sufficient indication to enable the account of that member in the register to be readily found.

(3) If default is made in complying with this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.

32. (1) Every company having a share capital shall within eighteen months from its incorporation and thereafter once at least in every year make a list of all persons who, on the day of the first or only ordinary general meeting in the year, are members of the company, and of all persons who have ceased to be members since the date of the last return or (in the case of the first return) of the incorporation of the company.

(2) The list shall state the names, addresses, and occupations of all the past and present members therein mentioned, and the number of shares held by each of the existing members at the date of the return, specifying shares transferred since the date of the last return or (in the case of the first return) of the incorporation of the company by persons who are still members and persons who have ceased to be members respectively and the dates of registration of the transfers, and shall contain a summary distinguishing between shares issued for cash and shares issued as fully or partly paid up otherwise than in cash, and specifying the following particulars:—

(a) the amount of the share capital of the company, and the number of the shares into which it is divided;
(b) the number of shares taken from the commencement of the company up to the date of the return;
(c) the amount called up on each share;
(d) the total amount of calls received;
(e) the total amount of calls unpaid;
(f) the total amount of the sums (if any) paid by way of commission in respect of any shares or debentures, or allowed by way of discount in respect of any shares or debentures, since the date of the last return, or so much thereof as has not been written off at the date of the return;
(g) the total number of shares forfeited;
(h) the total amount of shares or stock for which share-warrants are outstanding at the date of the return;
(i) the total amount of share-warrants issued and surrendered respectively since the date of the last return;
XVI COMPANIES ACT (VII of 1913) [Old S. 32]

(k) the number of shares or amount of stock comprised in each share-warrant;

(l) the names and addresses of the persons who at the date of the return are the directors of the company and of the persons (if any) who at the said date are the managers of the company; and—

(m) the total amount of debt due from the company in respect of all mortgages and charges which are required to be registered with the registrar under this Act.

(3) The above list and summary shall be contained in a separate part of the register of members, and shall be completed within seven days after the day of the first or only ordinary general meeting in the year, and the company shall forthwith file with the registrar a copy signed by a director or by the manager or the secretary of the company, together with a certificate from such director, manager or secretary that the list and summary state the facts as they stood on the day aforesaid.

(4) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

34. On the application of the transferee of any share or interest in a company, the company shall enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application for the entry were made by the transferee.
(k) the number of shares or amount of stock comprised in each share-warrant;

(l) the names and addresses of the persons who at the date of the return are the directors of the company and of the persons (if any) who at the said date are the managers or managing agents of the company, and the changes in the personnel of the directors, managers and managing agents since the last return together with the dates on which they took place; and

(m) the total amount of debt due from the company in respect of all mortgages and charges which are required to be registered with the registrar under this Act.

(3) The above list and summary shall be contained in a separate part of the register of members, and shall be completed within twenty-one days after the day of the first or only ordinary general meeting in the year, and the company shall forthwith file with the registrar a copy signed by a director or by the manager or the secretary of the company, together with a certificate from such director, manager or secretary that the list and summary state the facts as they stood on the day aforesaid.

(4) A private company shall send with the annual return required by sub-section (1) a certificate signed by a director or other officer of the company that the company has not, since the date of the last return or, in the case of a first return, since the date of the incorporation of the company, issued any invitation to the public to subscribe for any shares or debentures of the company, and where the annual return discloses the fact that the number of members of the company exceeds fifty, also a certificate so signed that the excess consists wholly of persons who under sub-clause (b) of clause 15 of sub-section (1) of section 2 are not to be included in reckoning the number of fifty.

(5) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

34. (1) An application for the registration of the transfer of shares in Transfer of shares a company may be made either by the transferor or the transferee, provided that where such application is made by the transferor no registration shall in the case of partly paid shares be effected unless the company gives notice of the application to the transferee and subject to the provisions of sub-section (2) the company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

(2) For the purposes of sub-section (1) notice to the transferee shall be deemed to have been duly given, if dispatched by prepaid post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.

(3) It shall not be lawful for the company to register a transfer of shares in or debentures of the company unless the proper instrument of transfer

O. C.—II
36. (1) The register of members, commencing from the date of the registration of the company, shall be kept at the registered office of the company, and, except when closed under the provisions of this Act, shall during the business hours (subject to such reasonable restrictions, as the company in general meeting may impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member gratis, and to the inspection of any other person on payment of one rupee, or such less sum as the company may prescribe, for each inspection.

(2) Any member or other person may require a copy of the register, or of any part thereof, or of the list and summary required by this Act, or any part thereof, on payment of six annas for every hundred words or fractional part thereof required to be copied.

(3) If any inspection or copy required under this section is refused, the company shall be liable for each refusal to a fine not exceeding twenty rupees and to a further fine not exceeding twenty rupees for every day during which the refusal continues, and every officer of the company who knowingly authorises or permits the refusal shall be liable to the like penalty, and the Court may by order compel an immediate inspection of the register.
Provided that, where it is proved to the satisfaction of the directors of the company that an instrument of transfer signed by the transferor and transferee has been lost, the company may, if the directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer, register the transfer on such terms as to indemnity as the directors may think fit.

(4) If a company refuses to register the transfer of any shares or debentures, the company shall, within two months from the date on which the instrument of transfer was lodged with the company, send to the transferee and the transferor notice of the refusal.

(5) If default is made in complying with sub-section (4) of this section, the company and every director, manager, secretary or other officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

(6) Nothing in sub-section (3) shall prejudice any power of the company to register as share holder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.

(7) Nothing in this section shall prejudice any power of the company under its articles to refuse to register the transfer of any shares.

35. (1) The register of members commencing from the date of the registration of the company and the index of members shall be kept at the registered office of the company, and, except when closed under the provisions of this Act, shall during the business hours (subject to such reasonable restrictions, as the company in general meeting may impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member gratis, and to the inspection of any other person on payment of one rupee, or such less sum as the company may prescribe, for each inspection. Any such member or other person may make extracts therefrom.

(2) Any member or other person may require a copy of the register, or of any part thereof, or of the list and summary required by this Act, or any part thereof, on payment of six annas for every hundred words or fractional part thereof required to be copied and the company shall cause any copy so required by any person to be sent to that person within a period of ten days, exclusive of non-working days and days on which the transfer books of the company are closed, commencing on the day next after the day on which the requirement is received by the company.

(3) If any inspection required under this section is refused or if any copy required under this section is not sent within the proper period, the company and every officer of the company who is in default shall be liable in respect of each offence to a fine not exceeding twenty rupees and to a further fine not exceeding twenty rupees for every day during which the refusal or default continues and the Court may by an order compel an immediate inspection of the register and index or direct that copies required shall be sent to the persons requiring them.
37. A company may, on giving notice by advertisement in some newspaper circulating in the district in which the registered office of the company is situate, close the register of members for any time or times not exceeding in the whole thirty days in each year.

39. In the case of a company required by this Act to file a list of its members with the registrar, the Court, when making an order for rectification of the register, shall, by its order, direct notice of the rectification to be filed with the registrar.

43. A company limited by shares, if so authorised by its articles, may, with respect to any fully paid-up shares, or to stock, issue under its common seal a warrant stating that the bearer of the warrant is entitled to the shares or stock therein specified, and may provide by coupons or otherwise, for the payment of the future dividends on the shares or stock included in the warrant, as this Act termed a share-warrant.

50. (1) A company limited by shares, if so authorised by its articles, may alter the conditions of its memorandum as follows (that is to say), it may—

(a) increase its share capital by the issue of new shares of such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) convert all or any of its paid-up shares into stock and re-convert that stock into paid-up shares of any denomination;

(d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

(2) The powers conferred by this section with respect to sub-division of shares must be exercised by special resolution.

(3) Where any alteration has been made under this section in the memorandum of a company, every copy of the memorandum issued after the date of the alteration shall be in accordance with the alteration.

(4) If a company makes default in complying with the requirements of sub-section (3), it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.
37. A company may, on giving seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the company is situate, close the register of members for any time or times not exceeding in the whole forty-five days in each year but not exceeding thirty days at a time.

39. In the case of a company required by this Act to file a list of its members with the registrar, the Court, when making an order for rectification of the register, shall, by its order, direct notice of the rectification to be filed with the registrar within a fortnight from the date of the completion of the order.

43. (1) A company limited by shares, if so authorised by its articles, may, with respect to any fully paid-up shares, or to stock, issue under its common seal a warrant stating that the bearer of the warrant is entitled to the shares or stock therein specified, and may provide by coupons or otherwise, for the payment of the future dividends on the shares or stock included in the warrant, in this Act termed a share-warrant.

(2) Nothing in this section shall apply to a private company.

50. (1) A company limited by shares, if so authorised by its articles may alter the conditions of its memorandum as follows (that is to say), it may:

(a) increase its share capital by the issue of new shares of such amount as it thinks expedient;
(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
(c) convert all or any of its paid-up shares into stock and re-convert that stock into paid-up shares of any denomination;
(d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
(e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

(2) The powers conferred by this section must be exercised by the company in general meeting.

(3) A cancellation of shares in pursuance of this section shall not be deemed to be a reduction of share capital within the meaning of this Act.

(4) The company shall file with the registrar notice of the exercise of any power referred to in clause (d) or clause (e) of sub-section (1) within fifteen days from the exercise thereof.
(6) A cancellation of shares in pursuance of this section shall not be deemed to be a reduction of share capital within the meaning of this Act.

53. (1) Where a company having a share capital, whether its shares have or have not been converted into stock, has increased its share capital or of members.

Notice of increase of share capital, or notice of increase of members, shall be filed with the registrar, in the case of an increase of share capital, within fifteen days after the passing, or in the case of a special resolution the confirmation, of the resolution authorising the increase, and in the case of an increase of members within fifteen days after the increase was resolved on or took place, notice of the increase of capital or members, and the registrar shall record the increase.

(2) If a company makes a default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

54. (1) A company limited by shares may, by special resolution confirmed by an order of the Court, modify the conditions contained in its memorandum so as to reorganize its share capital, whether by the consolidation of shares of different classes or by the division of its shares into shares of different classes:

Provided that no preference or special privilege attached to or belonging to any class of shares shall be interfered with except by resolution passed by a majority in number of shareholders of that class holding three-fourths of the share capital of that class and confirmed at a meeting of shareholders of that class in the same manner as a special resolution of the company is required to be confirmed, and every resolution so passed shall bind all shareholders of the class.

(2) Where an order is made under this section, a certified copy thereof shall be filed with the registrar within twenty-one days after the making of the order, or within such further time as the Court may allow, and the resolution shall not take effect until such a copy has been so filed.
$2. (1) Where a company having a share capital, whether its shares have or have not been converted into stock, has increased its share capital beyond the registered capital, and where a company not having a share capital has increased the number of its members beyond the registered number, it shall file with the registrar, in the case of an increase of share capital, within fifteen days after the passing of the resolution authorising the increase, and in the case of an increase of members within fifteen days after the increase was resolved on or took place, notice of the increase of capital or members, and the registrar shall record the increase.

(2) The notice to be given as aforesaid shall include particulars of the classes of shares affected and the conditions (if any) subject to which the new shares are to be issued.

(3) If a company makes a default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

$4. (1) A company limited by shares may, by special resolution confirmed by an order of the Court, modify the conditions contained in its memorandum so as to reorganise its share capital, whether by the consolidation of shares of different classes or by the division of its shares into shares of different classes:

Provided that no preference or special privilege attached to or belonging to any class of shares shall be interfered with except by resolution passed by a majority in number of shareholders of that class holding three-fourths of the share capital of that class, and every resolution so passed shall bind all shareholders of the class.

(2) Where an order is made under this section, a certified copy thereof shall be filed with the registrar within twenty-one days after the making of the order, or within such further time as the Court may allow, and the resolution shall not take effect until such a copy has been so filed.

$5A. (1) No company limited by shares shall have power to buy its own shares or the shares of a public company of which it is a subsidiary company unless the consequent reduction of capital is effected and sanctioned in the manner provided by sections 55 to 60.

(2) No company limited by shares other than a private company, not being a subsidiary company of a public company, shall give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the company.
55. (1) No company limited by shares shall have power to buy its own share capital unless the consequent reduction of capital is effected and sanctioned in manner hereinafter provided.

(2) Subject to confirmation by the Court, a company limited by shares, if so authorised by its articles, may by special resolution reduce its share capital in any way, and in particular (without prejudice to the generality of the foregoing power) may—

(a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up; or

(b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the company,

and may, if and so far as is necessary, alter its memorandum by reducing the amount of its share capital and of its shares accordingly.

56. Where a company has passed and confirmed an application to the Court for considering a resolution for reducing share capital, it may apply by petition to the Court for an order confirming the reduction.

57. On and from the confirmation by a company of a resolution for reducing share capital, the company shall add to its name, until such date as the Court may fix, the words "and reduced", as the last words in its name, and those words shall, until that date, be deemed to be part of the name of the company:

Provided that, where the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, the Court may, if it thinks expedient, dispense altogether with the addition of the words "and reduced".
56. Where a company has passed a resolution for reducing share capital, it may apply by petition to the Court for an order confirming the reduction.

57. On and from the passing by a company of a resolution for reducing share capital, or where the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, then on and from the making of the order confirming the reduction the company shall add to its name, until such date as the Court may fix, the words “and reduced” as the last words in its name, and those words shall, until that date, be deemed to be part of the name of the company:

Provided that, where the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, the Court may, if it thinks expedient, dispense altogether with the addition of the words “and reduced”.

55. (1) Subject to confirmation by the Court, a company limited by shares, if so authorised by its articles, may by special resolution reduce its share capital in any way, and in particular (without prejudice to the generality of the foregoing power) may—

(a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up; or

(b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the company,

and may, if and so far as is necessary, alter its memorandum by reducing the amount of its share capital and of its shares accordingly.

(2) A special resolution under this section is in this Act called a resolution for reducing share capital.
XXVI  COMPANIES ACT (VII OF 1913  [OLD S. 71

71. (1) A limited company, if so authorised by its articles, may, by special resolution, alter its memorandum so as to render unlimited the liability of its directors or of any director.

(2) Upon the confirmation of any such special resolution, the provisions thereof shall be as valid as if they had been originally contained in the memorandum, and a copy thereof shall be embodied in or annexed to every copy of the memorandum issued after the confirmation of the resolution.

(3) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made; and every officer of the company, who knowingly and willfully authorises or permits the default, shall be liable to the like penalty.
66A. (1) If in the case of a company, the share capital of which is divided into different classes of shares, provision is made by the memorandum or articles for authorising the variation of the rights attached to any class of shares in the company, subject to the consent of any specified proportion of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares, and in pursuance of the said provision the rights attached to any such class of shares are at any time varied, the holders of not less than ten per cent. of the issued shares of that class, being persons who did not consent to or vote in favour of the resolution for the variation, may apply to the Court to have the variation cancelled, and where any such application is made the variation shall not have effect unless and until it is confirmed by the Court.

(2) An application under this section must be made within fourteen days after the date on which the consent was given or the resolution was passed, as the case may be, and may be made on behalf of the shareholders entitled to make the application by such one or more of their number as they may appoint in writing for the purpose.

(3) On any such application the Court, after hearing the applicant and any other persons who apply to the Court to be heard and appear to the Court to be interested in the application, may, if it is satisfied having regard to all the circumstances of the case that the variation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation and shall, if not so satisfied, confirm the variation.

(4) The decision of the Court on any such application shall be final.

(5) The company shall within fifteen days after the service of any order made on any such application forward a copy of the order to the registrar and, if default is made in complying with this provision, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.

66A. (6) The expression 'variation' in this section includes 'abrogation' and the expression 'varied' shall be construed accordingly.

II. (1) A limited company, if so authorised by its articles, may, by special resolution, alter its memorandum of articles so as to render unlimited the liability of its directors or of any director.

(2) Upon the passing of any such special resolution, the provisions thereof shall be as valid as if they had been originally contained in the memorandum.
72. (1) Every company shall have a registered office to which all communications and notices may be addressed.

(2) Notice in writing of the situation of the registered office, and of any change therein, shall be filed with the registrar who shall record the same.

(3) If a company carries on business without complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which it so carries on business.

76. (1) A general meeting of every company shall be held once at the least in every year, and not more than fifteen months after the holding of the last preceding general meeting, and, if not so held, the company and every officer of the company, who is knowingly a party to the default, shall be liable to a fine not exceeding five hundred rupees.

(2) When default has been made in holding a meeting of the company in accordance with the provisions of this section, the Court may, on the application of any member of the company, call or direct the calling of a general meeting of the company.

77. (1) Every company limited by shares and registered after the commencement of this Act shall, within a period of six months from the date at which the company is entitled to commence business, hold a general meeting of the members of the company which shall be called the statutory meeting.

(2) The directors shall, at least ten days before the day on which the meeting is held, forward a report (in this Act called "the statutory report") to every member of the company and to every other person entitled under this Act to receive it.

(3) The statutory report shall be certified by not less than two directors of the company or, where there are less than two directors, by the sole director and shall state—

(a) the total number of shares allotted, distinguishing shares allotted as fully or partly paid up otherwise than in cash, and stating, in the case of shares partly paid up the extent to which they are so paid up, and in either case the consideration for which they have been allotted;

(b) the total amount of cash received by the company in respect of all the shares allotted distinguished as aforesaid;

(c) an abstract of the receipts of the company whether from its share capital or from debentures, and of the payments made
72. (1) A company shall as from the day on which it begins to carry on business, or as from the twenty-eighth day after the date of its incorporation, whichever is the earlier, have a registered office to which all communications and notices may be addressed.

(2) Notice of the situation of the registered office and of any change therein shall be given within twenty-eight days after the date of the incorporation of the company or of the change, as the case may be, to the registrar who shall record the same.

(3) The inclusion in the annual return of a company of the statement as to the address of its registered office shall not be taken to satisfy the obligation imposed by this section.

(4) If a company carries on business without complying with the requirements of this section it shall be liable to a fine not exceeding fifty rupees for every day during which it so carries on business.

76. (1) A general meeting of every company shall be held within eighteen months from the date of its incorporation and thereafter once at least in every calendar year and not more than fifteen months after the holding of the last preceding general meeting.

(2) If default is made in holding a meeting in accordance with the provisions of this section, the company and every director or manager of the company who is knowingly and wilfully a party to the default shall be liable to a fine not exceeding five hundred rupees.

(3) If default is made as aforesaid, the Court may, on the application of any member of the company, call or direct the calling of a general meeting of the company.

77. (1) Every company limited by shares and every company limited by guarantee and having a share capital shall, within a period of not less than one month nor more than six months from the date at which the company is entitled to commence business, hold a general meeting of the members of the company, which shall be called the statutory meeting.

(2) The directors shall, at least twenty-one days before the day on which the meeting is held, forward a report (in this Act referred to as the statutory report) certified as required by this section to every member of the company.

(3) The statutory report shall be certified by not less than two directors of the company or by the chairman of the directors if authorised in this behalf by the directors and shall state—

(a) the total number of shares allotted, distinguishing shares allotted as fully or partly paid up otherwise than in cash, and stating in the case of shares partly paid up the extent to which they are so paid up, and in either case the consideration for which they have been allotted;

(b) the total amount of cash received by the company in respect of all the shares allotted, distinguished as aforesaid;

(c) an abstract of the receipts of the company and of the payments made thereout up to a date within seven days of the date of
COMPANIES ACT (VII of 1913) [Old S. 77]

thereof, up to a date within seven days of the date of the report, exhibiting under distinctive headings the receipts of the company from shares and debentures and other sources, the payments made thereout and particulars concerning the balance remaining in hand and an account or estimate of the preliminary expenses of the company;

(d) the names, addresses and descriptions of the directors, auditors (if any), managers (if any) and secretary of the company;

(e) the particulars of any contract, the modification of which is to be submitted to the meeting for its approval, together with the particulars of the modification or proposed modification.
(4) The statutory report shall, so far as it relates to the shares allotted by the company, and to the cash received on respect of such shares and to the receipts and payments of the company, be certified as correct by the auditors of the company.

(5) The directors shall cause a copy of the statutory report certified as required by this section to be delivered to the registrar for registration forthwith after the sending thereof to the members of the company.

(6) The directors shall cause a list showing the names, descriptions and addresses of the members of the company, and the number of shares held by them respectively, to be produced at the commencement of the meeting, and to remain open and accessible to any member of the company during the continuance of the meeting.

(7) The members of the company present at the meeting shall be at liberty to discuss any matter relating to the formation of the company or arising out of the statutory report, whether previous notice has been given or not, but no resolution of which notice has not been given in accordance with the articles may be passed.

(8) The meeting may adjourn from time to time, and at any adjourned meeting any resolution of which notice has been given in accordance with the articles, either before or subsequently to the former meeting, may be passed, and the adjourned meeting shall have the same powers as an original meeting.

(9) If a petition is presented to the Court in manner provided by Part V for winding up the company on the ground of default in filing the statutory report or in holding the statutory meeting, the Court may, instead of directing that the company be wound up, give directions for the statutory report to be filed or a meeting to be held, or make such other order as may be just.
(10) If a petition is presented to the Court in manner provided by Part V for winding up the company on the ground of default in filing the statutory report or in holding the statutory meeting, the Court may, instead of directing that the company be wound up, give directions for the statutory report to be filed or a meeting to be held, or make such other order as may be just.

(11) The provisions of this section as to the forwarding and filing of the statutory report shall not apply in the case of a private company.

78. (1) Notwithstanding anything in the articles, the directors of a company which has a share capital shall, on the requisition of the holders of not less than one-tenth of the issued share capital of the company upon which all calls or other sums then due have been paid, forthwith proceed to call an extraordinary general meeting of the company.

(2) The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form, each signed by one or more requisitionists.

(3) If the directors do not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called, the requisitionists, or a majority of them in value, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the deposit of the requisition.

(4) If at any such meeting a resolution requiring confirmation at another meeting is passed, the directors shall forthwith call a further extraordinary general meeting for the purpose of considering the resolution and, if thought fit, of confirming it as a special resolution and, if the directors do not call the meeting within seven days from the date of the passing of the first resolution, the requisitionists, or a majority of them in value, may themselves call the meeting.

(5) Any meeting called under this section by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by directors.

Provisions as to meetings and votes. 79. In default of, and subject to, any requisitions in the articles,—

(i) a meeting of a company may be called by fourteen days’ notice in writing, served on every member in manner in which notices are required to be served by Table A in the First Schedule;

(ii) five members may call a meeting;

(iii) any person elected by the members present at a meeting may be chairman thereof; and

(iv) every member shall have one vote.
New S. 78) COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) xxx

(10) In the event of any default in complying with the provisions of this section every director of the company who is guilty of or who knowingly and wilfully authorises or permits the default shall be liable to a fine not exceeding five hundred rupees.

(11) This section shall not apply to a private company.

78. (1) Notwithstanding anything in the articles, the directors of a company which has a share capital shall, on the requisition of the holders of not less than one-tenth of the issued share capital of the company upon which all calls or other sums then due have been paid, forthwith proceed to call an extraordinary general meeting of the company.

(2) The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form, each signed by one or more requisitionists.

(3) If the directors do not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called, the requisitionists, or a majority of them in value, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the deposit of the requisition.

(4) Any meeting called under this section by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by directors.

(5) Any reasonable expenses incurred by the requisitionists by reason of the failure of the directors duly to convene a meeting shall be repaid to the requisitionists by the company, and any sum so repaid shall be retained by the company by way of fees or other remuneration for their services to such of the directors as were in default.

79. (1) The following provisions shall have effect with respect to meetings of a company other than a private company not being a subsidiary of a public company and the procedure thereof, notwithstanding any provision made in the articles of the company in this behalf—

(a) a meeting of a company other than a meeting for the passing of a special resolution may be called by not less than fourteen days notice in writing; but with the consent of all the members entitled to receive notice of some particular meeting that meeting may be convened by such shorter notice and in such manner as those members may think fit;

(b) notice of the meeting of a company with a statement of the business to be transacted at the meeting shall be served on
every member in the manner in which notices are required to be served by Table A and for the purpose of this clause the expression 'Table A' means that table as for the time being in force; but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any meeting;

(c) five members present in person or by proxy, or the chairman of the meeting, or any member or members holding not less than one-twentieth of the issued capital which carries voting rights shall be entitled to demand a poll; Provided that, in the case of a private company if not more than seven members are personally present, one member, and if more than seven members are personally present, two members shall be entitled to demand a poll;

(d) an instrument appointing a proxy, if in the form set out in regulation 87 of Table A, shall not be questioned on the ground that it fails to comply with any special requirements specified for such instruments by the articles; and

(e) any shareholder whose name is entered in the register of shareholders of the company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

(2) The following provisions shall have effect in so far as the articles of the company do not make other provision in that behalf:—

(a) two or more members holding not less than one-twentieth of the total share capital paid up or, if the company has not a share capital, not less than five per cent, in number of the members of the company may call a meeting;

(b) in the case of a private company two members and in the case of any other company five members personally present shall be a quorum;

(c) any member elected by the members present at a meeting may be chairman thereof;

(d) in the case of a company originally having a share capital, every member shall have one vote in respect of each share or each hundred rupees of stock held by him, and in any other case every member shall have one vote;

(e) on a poll votes may be given either personally or by proxy;

(f) the instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or an attorney duly authorised; and

(g) a proxy must be a member of the company.

(3) If for any reason it is impracticable to call a meeting of a company in any manner in which meetings of that company may be called or to conduct the meeting of the company in manner prescribed by the articles or this Act, the Court may, either of its own motion or on the application of any director of the company or of any member of the company who would be entitled to vote at the meeting, order a meeting of the company to be called, held and conducted in such manner as the Court thinks fit, and
81. (1) A resolution shall be an extraordinary resolution when it has been passed by a majority of not less than three-fourths of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a general meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given.

(2) A resolution shall be a special resolution when it has been—
(a) passed in manner required for the passing of an extraordinary resolution; and
(b) confirmed by a majority of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a subsequent general meeting of which notice has been duly given, and held after an interval of not less than fourteen days, nor more than one month, from the date of the first meeting.

(3) At any meeting at which an extraordinary resolution is submitted to be passed or a special resolution is submitted to be passed or confirmed, a declaration of the chairman on a show of hands that the resolution is carried shall, unless a poll is demanded, be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

(4) At any meeting at which an extraordinary resolution is submitted to be passed or a special resolution is submitted to be passed or confirmed, a poll may be demanded by three persons for the time being entitled according to the articles to vote, unless the articles of the company require a demand by such number of such persons, not in any case exceeding five, as may be specified in the articles.

(5) In a case where, if a poll is demanded, it may in accordance with the articles be taken in such manner as the chairman may direct; it may, if the chairman so directs, be taken at the meeting at which it is demanded.

(6) When a poll is demanded in accordance with this section, in computing the majority on the poll, reference shall be had to the number of votes to which each member is entitled by the articles of the company.

(7) For the purposes of this section notice of a meeting shall be deemed to be duly given and the meeting to be duly held when the notice is given and the meeting held in manner provided by the articles.

82. (1) A copy of every special and extraordinary resolution shall, within fifteen days from the confirmation of the special resolution or from the passing of the extraordinary resolution, as the case may be, be printed or typewritten and filed with the registrar who shall record the same.

(2) Where articles have been registered, a copy of every special resolution for the time being in force shall be embodied in or annexed to every copy of the articles issued after the date of the resolution.
New S. 81] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) XXXVII

where any such order is given may give such ancillary or consequential
directions as it thinks expedient, and any meeting called, held and conducted
in accordance with any such order shall for all purposes be deemed to be a
meeting of the company duly called, held and conducted.

81. (1) A resolution shall be an extraordinary resolution when it has
been passed by a majority of not less than three-fourths
of such members entitled to vote as are present in person
or by proxy (where proxies are allowed) at a general
meeting of which notice specifying the intention to propose the resolution as
an extraordinary resolution has been duly given.

(2) A resolution shall be a special resolution when it has been passed
by such a majority as is required for the passing of an extraordinary resolu­
tion and at a general meeting of which not less than twenty-one days' notice
specifying the intention to propose the resolution as a special resolution has
been duly given.

Provided that, if all the members entitled to attend and vote at any
such meeting so agree, a resolution may be proposed and passed as a special
resolution at a meeting of which less than twenty-one days' notice has been
given.

(3) At any meeting at which an extraordinary resolution or a special
resolution is submitted to be passed, a declaration of the chairman on a show
of hands that the resolution is carried shall, unless a poll is demanded, be
conclusive evidence of the fact without proof of the number or proportion of
the votes recorded in favour of or against the resolution.

(4) At any meeting at which an extraordinary resolution or a special
resolution is submitted to be passed a poll may be demanded.

(5) In a case where, if a poll is demanded, it may in accordance with
the articles be taken in such manner as the chairman may direct, it may, if
the chairman so directs, be taken at the meeting at which it is demanded.

(6) When a poll is demanded in accordance with this section, in com­
puting the majority on the poll, reference shall be had to the number of votes
to which each member is entitled by the articles of the company or under this
Act.

82. (1) A copy of every special and extraordinary resolution shall, with­
ing fifteen days from the passing thereof, be printed or
typed, written and duly certified under the signature of an
officer of the company and filed with the registrar who
shall record the same.

(2) Where articles have been registered, a copy of every special
resolution for the time being in force shall be embodied in
annexed to

 every copy of the articles issued after the date of the resolution.
(3) Where articles have not been registered, a copy of every special resolution shall be forwarded in print to any member at his request, on payment of one rupee or such less sum as the company may direct.

(4) If a company makes default in so filing with the registrar a copy of a special or extraordinary resolution, it shall be liable to a fine not exceeding twenty rupees for every day during which the default continues.

(5) If a company makes default in embodying in or annexing to a copy of its articles or in forwarding in print to a member when required by this section a copy of a special resolution, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made.

(6) Every officer of a company who knowingly and wilfully authorizes or permits any default by the company in complying with the requirements of this section shall be liable to the like penalty as is imposed by this section on the company for that default.

Minutes of proceedings of general meetings and of its directors.

83. (1) Every company shall cause minutes of all proceedings of general meetings and of its directors to be entered in books kept for that purpose.

(2) Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were held, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.

(3) Until the contrary is proved, every general meeting of the company or meeting of directors in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly called and held, and all proceedings had therein to have been duly had, and all appointments of directors or liquidators shall be deemed to be valid.
New S. 83] COMPANIES ACT (VII OF 1913 AM, BY ACT XXII OF 1936) XIX

(3) Where articles have not been registered, a copy of every special
resolution shall be forwarded in print to any member at his request, on
payment of one rupee or such less sum as the company may direct.

(4) If a company makes default in to filing with the registrar a copy
of a special or extraordinary resolution, it shall be liable to a fine not exceed­
ing twenty rupees for every day during which the default continues.

(5) If a company makes default in embodying in or annexing to a
copy of its articles or in forwarding in print to a member when required by
this section a copy of a special resolution, it shall be liable to a fine not exceed­ing
less than ten rupees for each copy in respect of which default is made.

(6) Every officer of a company who knowingly and wilfully autho­
rizes or permits any default by the company in complying with the require­ments
of this section shall be liable to the like penalty as is imposed by this
section on the company for that default.

Minutes of proceedings of general meetings and of its directors.

(1) Every company shall cause minutes of all
proceedings of general meetings and of its directors to be
entered in books kept for that purpose.

(2) Any such minute, if purporting to be signed by the chairman of
the meeting at which the proceedings were had, or by the chairman of the
next succeeding meeting, shall be evidence of the proceedings.

(3) Until the contrary is proved, every general meeting of the com­
pany or meeting of directors in respect of the proceedings whereof
minutes have been so made shall be deemed to have been duly called and held, and
all proceedings had thereat to have been duly had, and all appointments of
directors or liquidators shall be deemed to be valid.

(4) The books containing the minutes of proceedings of any general
meeting of a company held after the commencement of the Indian Com­
panies (Amendment) Act, 1936, shall be kept at the registered office of the
company and shall during business hours (subject to such reasonable restric­
tions as the company may by its articles or by general meeting impose so
that no less than two hours in each day be allowed for inspection) be open
to the inspection of any member without charge.

(5) Any member shall at any time after seven days from the meeting
be entitled to be furnished within
seven
seven days after he has made a request
in that behalf to the company with a copy of any minutes referred to in sub­section (4) at a charge not exceeding six annas for every hundred words.

(6) If any inspection required under sub-section (4) of this section
is refused or if any copy required under sub-section (5) of this section is
not furnished within the time specified in sub-section (5) the company and
every officer of the company who is knowingly and wilfully in default shall
be liable to the fine in respect of each offence to a fine not exceeding twenty-five
rupees and to a further fine to twenty-five rupees for every day during which
the default continues.

(7) In the case of any such refusal or default, the Court may by
order compel an immediate inspection of the books in respect of all pre­
cedings of general meetings or direct that the copies required shall be sent
to the persons requiring them.
S. 83A. (1) Every company registered after the commencement of this Act shall have at least two directors.

(2) This section shall not apply to a private company.

Appointment of directors.

S. 83B. In default of and subject to any regulations in the articles of a company other than a private company—

(i) the subscribers of the memorandum shall be deemed to be the directors of the company until the first directors shall have been appointed;

(ii) the directors of the company shall be appointed by the members in general meeting; and

(iii) any casual vacancy occurring among the directors may be filled up by the directors, but the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed a director.

S. 84. (1) A person shall not be capable of being appointed director of a company by the articles, and shall not be named as a director or proposed director of a company in any prospectus issued by or on behalf of the company or in relation to any intended company or in any statement in lieu of prospectus filed by or on behalf of a company, unless, before the registration of the articles or the publication of the prospectus, or the filing of the statement in lieu of prospectus, as the case may be, he has, by himself or by his agent authorized in writing—

(i) signed and filed with the registrar a consent in writing to act as such director; and

(ii) save in the case of a company limited by guarantee and not having a share capital, either signed the memorandum for a number of shares not less than his qualification (if any), or signed and filed with the registrar a contract in writing to take from the company and pay for his qualification shares (if any).
Directors.

83A. (1) Every company shall have at least three directors.

(2) This section shall not apply to a private company, except a private company being a subsidiary company of a public company.

Appointment of directors.

83B. (1) In default of and subject to any regulations in the articles of a company other than a private company—

(i) the subscribers of the memorandum shall be deemed to be the directors of the company until the first directors shall have been appointed;

(ii) the directors of the company shall be appointed by the members in general meeting; and

(iii) any casual vacancy occurring among the directors may be filled up by the directors, but the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed a director.

(2) Notwithstanding anything contained in the articles of a company other than a private company not less than two-thirds of the whole number of directors shall be persons whose period of office is liable to determination at any time by retirement of directors in rotation:

Provided that nothing herein contained shall apply to a company incorporated before the commencement of the Indian Companies (Amendment) Act, 1936, where by virtue of the articles of the company the number of directors whose period of office is liable to determination at any time by retirement of directors in rotation falls below the two-thirds proportion mentioned in this section.

84 (1) A person shall not be capable of being appointed director of a company by the articles, and shall not be named as a director or proposed director of a company in any prospectus issued by or on behalf of the company or in relation to any intended company or in any statement in lieu of prospectus filed by or on behalf of a company, unless, before the registration of the articles or the publication of the prospectus, or the filing of the statement in lieu of prospectus, as the case may be, he has, by himself or by his agent authorized in writing—

(i) signed and filed with the registrar a consent in writing to act as such director; and

(ii) save in the case of companies not having a share capital, either signed the memorandum for a number of shares not less than his qualification (if any), or taken from the company and paid or agreed to pay for his qualifications shares or signed and filed with the registrar a contract in writing to take from the company and pay for his qualifications shares (if any), or made and filed with the registrar an affidavit to the effect that a number of shares, not less than his qualification (if any), are registered in his name.
Xtll COMPANIES ACT (VII or 1913) [Old S. 85

(2) On the application for registration of the memorandum and articles of a company the applicant shall file with the registrar a list of the persons who have consented to be directors of the company, and, if this list contains the name of any person who has not so consented, the applicant shall be liable to a fine not exceeding five hundred rupees.

(3) This section shall not apply to a private company nor to a prospectus issued by or on behalf of a company after the expiration of one year from the date at which the company is entitled to commence business.

85. (1) Without prejudice to the restrictions imposed by section 84, it shall be the duty of every director who is by the articles required to hold a specified share qualification, and who is not already qualified, to obtain his qualification within two months after his appointment, or such shorter time as may be fixed by the articles.

(2) The office of director of a company shall be vacated if the director does not, within two months from the date of his appointment, or within such shorter time as may be fixed by the articles, obtain his qualification, or if after the expiration of such period or shorter time he ceases at any time to hold his qualification; and a person vacating office under this section shall be incapable of being re-appointed director of the company until he has obtained his qualification.

(3) If, after the expiration of the said period or shorter time, any unqualified person acts as a director of the company, he shall be liable to a fine not exceeding fifty rupees for every day between the expiration of the said period or shorter time and the last day on which it is proved that he acted as a director.
New S. 85] COMPANIES ACT (VII OF 1913 AM. BY ACT XIX OF 1936) xliii

(2) On the application for registration of the memorandum and
articles, if any, of a company the applicant shall file with the registrar a
list of the persons who have consented to be directors of the company and,
if this list contains the name of any person who has not so consented, the
applicant shall be liable to a fine not exceeding five hundred rupees.

(3) This section shall not apply to a private company or a company
which at any time before becoming a public company was a private company
nor to a prospectus issued by or on behalf of a company after the expiration of one
year from the date at which the company is entitled to commence business.

85. (1) Without prejudice to the restrictions imposed by section 84, it
shall be the duty of every director who is by the articles
qualified to hold a specified share qualification, and who
is not already qualified, to obtain his qualification with­
in two months after his appointment, or such shorter time as may be fixed by
the articles.

(2) If, after the expiration of the said period or shorter time, any
unqualified person acts as a director of the company, he shall be liable to a
fine not exceeding fifty rupees for every day between the expiration of the
said period or shorter time and the last day on which it is proved that he
acted as a director.

86A. (1) If any person being an undischarged in­
debtor acts as director or managing agent or manager of
any company, he shall be liable to imprisonment for a
period not exceeding two years or to a fine not exceeding
one thousand rupees or to both.

(2) In this section the expression 'company' includes a company
incorporated outside British India which has an established place of business
within British India.

86B. If in the case of any company provision is made by the articles or
by any agreement entered into between any person and
the company for empowering a director or manager of
the company to assign his office as such to another per­
son, any assignment of office made in pursuance of the said provision shall,
notwithstanding anything to the contrary contained in the said provision, be
of no effect unless and until it is approved by a special resolution of the
company;

Provided that the exercise by a director of a power to appoint an alternate
or substitute director to act for him during an absence of not less than
three months from the district in which meetings of the directors are
ordinarily held, if done with the approval of the board of directors, shall not
be deemed to be an assignment of office within the meaning of this section:

Provided always that any such alternate or substitute director shall ipso
facto vacate office if and when the appointor returns to the district in which
meetings of the directors are ordinarily held.

Explanation.—For the purposes of the provisions in this section, the
presidency-towns of Calcutta and Madras shall be deemed to be part of the
84C. Save as provided in this section, any provision, whether contained in the articles of a company or in any contract with a company or otherwise, for exempting any director, manager or officer of the company or any person (whether an officer of the company or not) employed by the company as auditor from or indemnifying him against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the company shall be void:

Provided that—

(a) in relation to any such provision which is in force at the date of the commencement of the Indian Companies (Amendment) Act, 1936, this section shall have effect only on the expiration of a period of six months from that date, and

(b) nothing in this section shall operate to deprive any person of any exemption or right to he indemnified in respect of anything done or omitted to be done by him while any such provision was in force, and

(c) notwithstanding anything in this section, a company may, in pursuance of any such provision as aforesaid, indemnify any such director, manager, officer or auditor against any liability incurred by him in defending any proceeding, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 281 of this Act in which relief is granted to him by the Court.

86D. (1) No company shall make any loan or guarantee any loan made to a director of the company or to a firm of which such director is a partner or to a private company of which such director is a director.

(2) In the event of any contravention of sub-section (1) any director of the company who is a party to such contravention shall be punishable with fine which may extend to five hundred rupees, and if default is made in repayment of the loan or in discharging the guarantee shall be liable jointly and severally for the amount unpaid.

(3) This section shall not apply to a private company (except a private company which is the subsidiary company of a public company) or to a banking company.

86E. No director or firm of which such director is a partner or private company of which such director is a director shall without the consent of the company in general meeting hold any office of profit under the company except that of a managing director or manager or a legal or technical adviser or a banker.
Provided that nothing herein contained shall apply to a director elected or appointed before the commencement of the Indian Companies (Amendment) Act, 1936, in respect of any office of profit under the company held by him at the commencement of the said Act.

Explanation.—For the purposes of this section the office of managing agent shall not be deemed to be an office of profit under the company.

Section of directors necessary for certain contracts.

Except with the consent of the directors, a director of the company, or the firm of which he is a partner or any partner of such firm, or the private company of which he is a member or director, shall not enter into any contracts for the sale, purchase or supply of goods and materials with the company, provided that nothing herein contained shall affect any such contract or agreement for such sale, purchase or supply entered into before the commencement of the Indian Companies (Amendment) Act, 1936.

Section 86G.

(1) The company may by extraordinary resolution remove any director, whose period of office is liable to determination at any time by retirement of directors in rotation, before the expiration of his period of office and may by ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected director. A director so removed shall not be reappointed a director by the board of directors.

(2) This section shall not apply to directors elected or appointed before the commencement of the Indian Companies (Amendment) Act, 1936.

Section 86H.

The directors of a public company or of a subsidiary company of a public company shall not, except with the consent of the company concerned in general meeting—

(a) sell or dispose of the undertaking of the company;

(b) remit any debt due by a director.

Section 86I.

(1) The office of a director shall be vacated if—

(a) he fails to obtain within the time specified in sub-section (1) of section 84, or at any time thereafter occasions to hold the share qualification, if any, necessary for his appointment, or

(b) he is found to be of unsound mind by a Court of competent jurisdiction, or

(c) he is adjudged an insolvent, or

(d) he fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made, or

(e) he or any firm of which he is a partner or any private company of which he is a director without the sanction of the company in general meeting accepts or holds any office of
87. (1) Every company shall keep at its registered office a register containing the names and addresses and the occupations of its directors, and file with the registrar a copy thereof, and from time to time file with the registrar notice of any change among its directors or managers.

(2) If default is made in complying with this section, the company shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.
(f) he absents himself from three consecutive meetings of the directors or from all meetings of the directors for a continuous period of three months whichever is the longer without leave of absence from the board of directors, or

(g) he or any firm of which he is a partner or any private company of which he is a director accepts a loan or guarantee from the company in contravention of section 86D, or

(h) he acts in contravention of section 88F.

(2) Nothing contained in this section shall be deemed to preclude a company from providing by its articles that the office of director shall be vacated on grounds additional to those specified in this section.

Register of directors, managers and managing agents.

Every company shall keep at its registered office a register of its directors, managers and managing agents containing with respect to each of them the following particulars, that is to say:

(a) in the case of an individual, his present name in full, any former name or surname in full, his usual residential address, his nationality and, if that nationality is not the nationality of origin, his nationality of origin and his business occupation, if any, and if he holds any other directorship or directorships the particulars of such directorship or directorships;

(b) in the case of a corporation, its corporate name and registered or principal office; and the full name, address and nationality of each of its directors; and

(c) in the case of a firm, the full name, address and nationality of each partner, and the date on which each became a partner.

The company shall within the periods respectively mentioned in this sub-section send to the registrar a return in the prescribed form containing the particulars specified in the said register and a notification in the prescribed form of any change among its directors, managers or managing agents or in any of the particulars contained in the register.

The period within which the said return is to be sent shall be a period of fourteen days from the appointment of the first directors of the company and the period within which the said notification of a change is to be sent shall be fourteen days from the happening thereof.

The register to be kept under this section shall during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member of the company without charge and of any other person on payment of one rupee or such less sum as the company may impose for each inspection.

If any inspection required under this section is refused or if default is made in complying with sub-section (1) or sub-section (2) of this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine of fifty rupees.

O. C.—IV
In the case of any such refusal, the Court on application made by the person to whom inspection has been refused and upon notice to the company may by order direct an immediate inspection of the register.

Managing Agents.

87A. (1) No managing agent shall, after the commencement of the Indian Companies (Amendment) Act, 1936, be appointed to hold office for a term of more than twenty years at a time.

(2) Notwithstanding anything to the contrary contained in the articles of a company or in any agreement with the company a managing agent of a company appointed before the commencement of the Indian Companies (Amendment) Act, 1936, shall not continue to hold office after the expiry of twenty years from the commencement of the said Act unless then reappointed thereto or unless he has been reappointed thereto before the expiry of the said twenty years.

(3) A managing agent whose office is terminated by virtue of the provisions of sub-section (2) shall be entitled to a charge upon the assets of the company by way of indemnity for all liabilities or obligations properly incurred by the managing agent on behalf of the company subject to existing charges and encumbrances, if any.

(4) The termination of the office of a managing agent by virtue of the provisions of sub-section (2) shall not take effect until all moneys payable to the managing agent for loans made to or remuneration due up to the date of such termination from the company are paid.

(5) Nothing in this section shall apply to a private company which is not the subsidiary company of a public company.

Conditions applicable to managing agents.

87B. Notwithstanding anything to the contrary contained in the articles of the company or in any agreement with the company—

(a) a company may, by resolution passed at a general meeting of which notice has been given to the managing agent in the same manner as to the members of the company remove a managing agent if he is convicted of an offence in relation to the affairs of the company punishable under the Indian Penal Code, and being under the provisions of the Code of Criminal Procedure, 1898, non-bailable; and for the purposes of this clause, where the managing agent is a firm or company an offence committed by a member of such firm or a director of or an officer holding a general power of attorney from such company shall be deemed to be an offence committed by such firm or company;

Provided that a managing agent shall not be liable to be removed under the provisions hereof if the offending member, director or officer as aforesaid is expelled or dismissed by the managing agent within thirty days from the date of his conviction or if his conviction is set aside on appeal;

(b) the office of a managing agent shall be vacated if he is adjudged insolvent;
COMPANIES ACT (VII of 1913)
(c) a transfer of his office by a managing agent shall be void unless approved by the company in general meeting:

Provided that in the case of a managing agent's firm a change in the partners thereof shall not be deemed to operate as a transfer of the office of managing agent, so long as one of the original partners shall continue to be a partner of the managing agent's firm. For the purpose of this proviso 'original partners' shall mean, in the case of managing agents appointed before the commencement of the Indian Companies (Amendment) Act, 1936, partners who were partners at the date of the commencement of the said Act, and in the case of managing agents appointed after the commencement of the said Act, partners who were partners at the date of the commencement.

(d) a charge or assignment of his remuneration or any part thereof effected by a managing agent shall be void as against the company;

(e) if a company is wound up either by the Court or voluntarily, any contract of management made with a managing agent shall be thereupon determined without prejudice however, to the right of the managing agent to recover any money recoverable by the managing agent from the company:

Provided that where the Court finds that the winding up is due to the negligence or default of the managing agent himself the managing agent shall not be entitled to receive any compensation for the premature termination of the contract of management; and

(f) the appointment of a managing agent, the removal of a managing agent and any variation of a managing agent's contract of management made after the commencement of the Indian Companies (Amendment) Act, 1936, shall not be valid unless approved by the company by a resolution at a general meeting of the company notwithstanding anything to the contrary in section 86E:

Provided that nothing herein contained shall apply to the appointment of a company's first managing agent made prior to the issue of the prospectus or statement in lieu of prospectus where the terms of the appointment of such managing agent are there set forth.

87C. (1) Where any company appoints a managing agent after the commencement of the Indian Companies (Amendment) Act, 1936, the remuneration of the managing agent shall be a sum based on a fixed percentage of the net annual profits of the company, with provision for a minimum payment in the case of absence of or inadequacy of profits, together with an office allowance to be defined in the agreement of management.

(2) Any stipulation for remuneration additional to or in any other form than the remuneration specified in sub-section (1) shall not be binding on the company unless sanctioned by a special resolution of the company.
(3) For the purposes of this section 'net profits' means the profits of the company calculated after allowing for all the usual working charges, interest on loans and advances, repairs and outgoings, depreciation, bounties or subsidies received from Government or from a public body, profits by way of premium on shares sold, profits on sale proceeds of forfeited shares, or profits from the sale of the whole or part of the undertaking of the company but without any deduction in respect of income-tax or super-tax, or any other tax or duty on income or revenue or for expenditure by way of interest on debentures or otherwise on capital account or on account of any sum which may be set aside in each year out of the profits for reserve or any other special fund.

(4) This section shall not apply to a private company except a private company which is the subsidiary company of a public company or to any company whose principal business is the business of insurance.

87D. (1) No company shall make to a managing agent of the company or to any partner of the firm, if the managing agent is a firm, or to any director of the private company, if the managing agent is a private company, any loan out of moneys of the company or guarantee any loan made to a managing agent.

(2) Nothing contained in this section shall apply to any credit held by a managing agent in a current account maintained subject to limits previously approved by the board of directors by the company with the managing agent for the purposes of the company's business.

(3) In the event of any contravention of sub-section (1) any director of the company who is a party to the making of the loan or giving of the guarantee shall be punishable with fine which may extend to five hundred rupees, and if default is made in repayment of the loan or discharging the guarantee shall be liable jointly and severally for the amount unpaid.

(4) Nothing in this section shall apply to a private company except a private company which is the subsidiary company of a public company.

(5) Except with the consent of three-fourths of the directors present and entitled to vote on the resolution, a managing agent of the company, or the firm of which he is a partner, or any partner of such firm, or, if the managing agent is a private company, a member or director thereof, shall not enter into any contract for the sale, purchase or supply of goods and materials with the company, provided that nothing herein contained shall affect any such contract for such sale, purchase or supply entered into before the commencement of the Indian Companies (Amendment) Act, 1936.

87E. (1) No company incorporated under this Act after the commencement of the Indian Companies (Amendment) Act, 1936, under management of a managing agent shall make any loan to or guarantee any loan made to any company under management by the same managing agent, and no company shall after the expiry of six months from the commencement of the said Act except by way of renewal of an existing loan or guarantee given make any loan to or guarantee any loan made to any such company:

Provided that nothing herein contained shall apply to loans made or guarantees given by a company to or on behalf of a company under its own
90. A company may, by writing under its common seal, empower any person, either generally or in respect of any specified matters, as its attorney, to execute deeds on its behalf in any place not situate in British India; and every deed signed by such attorney, on behalf of the company, and under his seal, where sealing is required, shall bind the company, and have the same effect as if it were under its common seal.

91A. (1) Every director who is directly or indirectly concerned or interested in any contract or arrangement entered into by or on behalf of the company shall disclose the nature of his interest at the meeting of the directors at which the contract or arrangement is determined on, if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest or the making of the contract or arrangement:

Provided that a general notice that a director is a member of any specified firm or company, and is to be regarded as interested in any subsequent transaction with
management or loans made by or to a company to or by a subsidiary company thereof or to guarantees given by a company on behalf of a subsidiary company thereof.

(2) In the event of any contravention of the provisions of this section, any director or officer of the company making the loan or giving the guarantee who is knowingly and wilfully in default shall be liable to a fine not exceeding one thousand rupees and shall be jointly and severally liable for any loss incurred by the company in respect of such loan or guarantee.

87F. A company other than an investment company, that is to say, a company whose principal business is the acquisition and holding of shares, stocks, debentures or other securities, shall not purchase shares or debentures of any company under management by the same managing agent, unless the purchase has been previously approved by a unanimous decision of the board of directors of the purchasing company.

87G. A managing agent shall not exercise in respect of any company of which he is a managing agent a power to issue debentures or, except with the authority of the directors, and within the limits fixed by them, a power to invest the funds of a company to a managing agent shall be void.

87H. A managing agent shall not on his own account engage in any business which is of the same nature as and directly competes with the business carried on by a company under his management or by a subsidiary company of such company.

87I. Notwithstanding anything contained in the articles of a company other than a private company the directors, if any, appointed by the managing agent shall not exceed in number one-third of the whole number of directors.

90. A company may, by writing under its common seal, empower any person, either generally or in respect of any specified matters, as its attorney, to execute deeds on its behalf in any place either in or outside British India; and every deed signed by such attorney, on behalf of the company, and under its seal, where sealing is required, shall bind the company, and have the same effect as if it were under its common seal.

91A. (1) Every director who is directly or indirectly concerned or interested in any contract or arrangement entered into by or on behalf of the company shall disclose the nature of his interest at the meeting of the directors at which the contract or arrangement is determined on, if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest or the making of the contract or arrangement:

Provided that a general notice that a director is a director or a member of any specified company or is a member of any specified firm and is to be
such firm or company, shall as regards any such transaction be sufficient disclosure within the meaning of this sub-section and after such general notice, it shall not be necessary to give any special notice relating to any particular transaction with such firm or company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.

91B. (1) No director shall, as a director, vote on any contract or arrangement in which he is either directly or indirectly concerned or interested; and if he does so vote, his vote shall not be counted:

Provided that the directors or any of them may vote on any contract of indemnity against any loss which they or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.

(3) This section shall not apply to a private company.

91C. (1) Where a company enters into a contract for the appointment of a manager of the company in which contract any director of the company is directly or indirectly concerned or interested, or varies any such existing contract, the company shall send an abstract of the terms of such contract or variation, as the case may be, together with a memorandum clearly indicating the nature of the interest of the director in such contract, or in such variation, to every member; and the contract shall be open to the inspection of any member at the registered office of the company.

(2) If a company makes default in complying with the requirements of sub-section (1), it shall be liable to a fine not exceeding one thousand rupees; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.
COMPANIES ACT (VII OF 1913 AM, BY ACT XXII OF 1936) LIX.

regarded as interested in any subsequent transaction with such firm or company, shall as regards any such transaction be sufficient disclosure within the meaning of this sub-section and after such general notice, it shall not be necessary to give any special notice relating to any particular transaction with such firm or company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.

(3) A register shall be kept by the company in which shall be entered particulars of all contracts or arrangements to which sub-section (1) applies, and which shall be open to inspection by any member of the company at the registered office of the company during business hours.

(4) Every officer of the company who knowingly and wilfully acts in contravention of the provisions of sub-section (3) shall be liable to a fine not exceeding five hundred rupees.

91B. (1) No director shall, as a director, vote on any contract or arrangement in which he is either directly or indirectly concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of any such vote: and if he does so vote, his vote shall not be counted:

Provided that the directors or any of them may vote on any contract of indemnity against any loss which they or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.

(3) This section shall not apply to a private company:

Provided that where a private company is a subsidiary company of a public company, this section shall apply to all contracts or arrangements made on behalf of the subsidiary company with any person other than the holding company.

91C. (1) Where a company enters into a contract for the appointment of a manager or managing agent of the company in which contract any director of the company is directly or indirectly concerned or interested, or varies any such existing contract, the company shall, within twenty-one days from the date of entering into the contract or the varying of the contract, send an abstract of the terms of such contract or variation, as the case may be, together with a memorandum clearly indicating the nature of the interest of the director in such contract, or in such variation, to every member; and the contract shall be open to the inspection of any member at the registered office of the company.

(2) If a company makes default in complying with the requirements of sub-section (1), it shall be liable to a fine not exceeding one thousand rupees: and every officer of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.
COMPANIES ACT (VII of 1913) [Old S. 91D

91D. (1) Every manager or other agent of a company other than a private company who enters into a contract for or on behalf of the company in which contract the company is an undisclosed principal shall, at the time of entering into the contract, make a memorandum in writing of the terms of the contract, and specify therein the person with whom it has been made.

(2) Every such manager or other agent shall forthwith deliver the memorandum aforesaid to the company, and such memorandum shall be filed in the office of the company and laid before the directors at the next directors' meeting.

(3) If any such manager or other agent makes default in complying with the requirements of this section—

(a) the contract shall, at the option of the company, be void as against the company; and

(b) such manager or other agent shall be liable to a fine not exceeding two hundred rupees.

93. (1) Every prospectus issued by or on behalf of a company, or by or on behalf of any person who is or has been engaged or interested in the formation of the company, shall state—

(a) the contents of the memorandum, with the names, descriptions and addresses of the signatories and the number of shares subscribed for by them respectively; and the number of founders or management or deferred shares (if any) and the nature and extent of the interest of the holders in the property and profits of the company; and

(b) the number of shares (if any) fixed by the articles as the qualification of a director, and any provision in the articles as to the remuneration of the directors; and

(c) the names, descriptions and addresses of the directors or proposed directors and of the managers or proposed managers (if any); and

(d) the minimum subscription on which the directors may proceed to allotment, and the amount payable on application and allotment on each share; and in the case of a second or subsequent offer of shares the amount offered for subscription on each previous allotment made within the two preceding years, and the amount actually allotted, and the amount (if any) paid on the shares so allotted; and

(e) the number and amount of shares and debentures which within the two preceding years have been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash, and in the latter
91D. (1) Every manager or other agent of a company other than a private company not being the subsidiary company of a public company who enters into a contract for or on behalf of the company in which the contract the company is entered into is made with an undisclosed principal shall, at the time of entering into the contract, make a memorandum in writing of the terms of the contract, and specify therein the person with whom it has been made.

(2) Every such manager or other agent shall forthwith deliver the memorandum aforesaid to the company and send copies to the directors and such memorandum shall be filed in the office of the company and laid before the directors at the next directors' meeting.

(3) If any such manager or other agent makes default in complying with the requirements of this section—

(a) the contract shall, at the option of the company, be void as against the company; and

(b) such manager or other agent shall be liable to a fine not exceeding two hundred rupees.

93. (1) Every prospectus issued by or on behalf of a company, or by or on behalf of any person who is or has been engaged or interested in the formation of the company, shall state—

(a) the contents of the memorandum, with the names, descriptions and addresses of the signatories and the number of shares subscribed for by them respectively; and the number of founders, management or deferred shares (if any) and the nature and extent of the interest of the holders in the property and profits of the company and the number of redeemable preference shares intended to be issued with the date or, where no date is fixed, the period of notice required and the proposed method of redemption;

(b) the number of shares (if any) fixed by the articles as the qualification of a director, and any provision in the articles as to the remuneration of the directors; and

(c) the names, descriptions and addresses of the directors or proposed directors and of the managers or proposed managers and managing agents or proposed managing agents (if any) and any provision in the articles or in any contract as to the appointment of managers or managing agents and the remuneration payable to them; and

(d) the minimum subscription on which the directors may proceed to allotment, and the amount payable on application and allotment on each share; and in the case of a second or subsequent offer of shares the amount offered for subscription on each previous allotment made within the two preceding years, and the amount actually allotted, and the amount (if any) paid on the shares so allotted; and

(e) the number and amount of shares and debentures which within the two preceding years have been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash, and
(f) the names and addresses of the vendors of any property purchased or acquired by the company, or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by the prospectus, or the purchase or acquisition of which has not been completed at the date of issue of the prospectus, and the amount payable in cash, shares or debentures to the vendor, and where there is more than one separate vendor or the company is a sub-purchaser, the amount so payable to each vendor; Provided that where the vendors or any of them are a firm, the members of the firm shall not be treated as separate vendors; and

(g) the amount (if any) paid or payable as purchase-money in cash, shares or debentures, for any such property as aforesaid, specifying the amount (if any) payable for goodwill; and

(h) the amount (if any) paid within the two preceding years or payable, as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in, or debentures of, the company, or the rate of any such commission: Provided that it shall not be necessary to state the commission payable to sub-under-writers; and

(i) the amount or estimated amount of preliminary expenses; and

(j) the amount paid within the two preceding years or intended to be paid to any promoter, and the consideration for any such payment; and

(k) the dates of and parties to, every material contract, and a reasonable time and place at which any material contract or a copy thereof may be inspected; Provided that this requirement shall not apply to a contract entered into in the ordinary course of the business carried on or intended to be carried on by the company.
in the latter case the extent to which they are so paid up, and in either case the consideration for which those shares or debentures have been issued or agreed to be issued; and

(ea) where any issue of shares or debentures is underwritten, the names of the underwriters, and the opinion of the directors that the resources of the underwriters are sufficient to discharge the underwriting obligations; and

(f) the names and addresses of the vendors of any property purchased or acquired by the company, or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by the prospectus, or the purchase or acquisition of which has not been completed at the date of issue of the prospectus, and the amount payable in cash, shares or debentures to the vendor, and where there is more than one separate vendor or the company is a sub-purchaser, the amounts so payable to each vendor: Provided that where the vendors or any of them are a firm, the members of the firm shall not be treated as separate vendors; and

(ff) where any property referred to in clause (f) has within the two years preceding the issue of the prospectus been transferred by sale, the amount paid by the purchaser at each such transfer so far as the information is available and, where any such property is a business, the profits accruing from such business during each of the three years immediately preceding the issue of the prospectus or during each year of the existence of the business if less than three years so far as the information is available. A balance sheet of the business concerned made up to a date not more than ninety days before the date of issue of the prospectus shall be appended to the prospectus; and

(g) the amount (if any) paid or payable as purchase-money in cash, shares or debentures, for any such property as aforesaid, specifying the amount (if any) payable for goodwill; and

(h) the amount (if any) paid within the two preceding years or payable, as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in, or debentures of, the company, or as discount in respect of shares issued, showing separately the amount, if any, so paid to the managing agents: Provided that it shall not be necessary to state the commission payable to sub-underwriters; and

(i) the amount or estimated amount of preliminary expenses; and

(k) the amount paid within the two preceding years or intended to be paid to any promoter, and the consideration for any such payment; and

(l) the dates of, and parties to, every material contract, including contracts relating to the acquisition of property to which clause (f) applies, and a reasonable time and place at which any material contract or a copy thereof may be inspected: Provided that this requirement shall not apply to a contract
or to any contract entered into more than two years before the date of issue of the prospectus; and

(u) the names and addresses of the auditors (if any) of the company; and

(v) full particulars of the nature and extent of the interest (if any) of every director in the promotion of, or in the property proposed to be acquired by, the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company; and

(o) where the company is a company having shares of more than one class, the right of voting at meetings of the company conferred by the several classes of shares respectively.
entered into in the ordinary course of the business carried on or intended to be carried on by the company, or to any contract (except a contract appointing or fixing the remuneration of a managing director or managing agent) entered into more than two years before the date of issue of the prospectus; and

(m) the names and addresses of the auditors (if any) of the company; and

(n) full particulars of the nature and extent of the interest (if any) of every director in the promotion of, or in the property proposed to be acquired by, the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company; and

(o) where the company is a company having shares of more than one class, the right of voting at meetings of the company conferred by and the rights in respect of capital and dividends attached to the several classes of shares respectively; and

(p) where the articles of the company impose any restrictions upon the members of the company in respect of the right to attend, speak or vote at meetings of the company or of the right to transfer shares, or upon the directors of the company in respect of their powers of management, the nature and extent of those restrictions.

(14) Where the prospectus is issued by a company which has been carrying on business prior to the issue thereof, the prospectus shall set out the following reports in addition to the matters referred to in sub-section (1), namely:—

(i) a report by the auditors of the company with respect to the profit of the company including its subsidiary companies, if any, so far as the information is available in each of the three financial years immediately preceding the issue of the prospectus and with respect to the rates of the dividends, if any, paid by the company on each class of shares in the company for each of the said three years giving particulars of each such class of shares on which such dividends have been paid and the source from which the dividends have been paid and particulars of the cases in which no dividends have been paid on any class of shares for any of those years, and if no accounts have been made up for any part of a period of three years ending on a date three months before the issue of the prospectus, containing a statement of that fact;

(ii) if the proceeds or any part of the proceeds of the issue of the shares or debentures are or is to be applied directly or indirectly in the purchase of any business, a report made by an accountant or accountants holding the certificate referred to
(2) Where any such prospectus as is mentioned in this section is published as a newspaper advertisement, it shall not be necessary in the advertisement to specify the contents of the memorandum, or the signatories thereto, and the number of shares subscribed for by them.

(3) This section shall not apply to a circular or notice inviting existing members or debenture holders of a company to subscribe either for shares or for debentures of the company, whether with or without the right to renounce in favour of other persons.

(4) The requirements of this section as to the memorandum and the qualification, remuneration and interest of directors, the names, descriptions and addresses of directors or proposed directors, and of managers or proposed managers, and the amount or estimated amount of preliminary expenses, shall not apply in the case of a prospectus issued more than one year after the date at which the company is entitled to commence business.

(5) Nothing in this section shall limit or diminish any liability which any person may incur under the general law or this Act apart from this section.

96. Any condition requiring or binding any applicant for shares or debentures to waive compliance with any requirements of section 93, or purporting to affect him with notice of any contract, document or matter not specifically referred to in the prospectus, shall be void.
in section 144 who shall be named in the prospectus upon the profits of the business in respect of each of the three financial years immediately preceding the issue of the prospectus.

Provided that if, in the case of a company which has been carrying on business for less than three years, the accounts of the company have been made up only in respect of two years or any shorter period, this sub-section shall have effect as if references to two years or such shorter period were substituted for references to three years.

(1B) The statement referred to in clause (f) of sub-section (1) and the report referred to in sub-section (1A) with respect to the profits of a company or business shall show clearly the trading results and all charges and expenses incidental thereto excluding income or profits having no relation to the trading for the period covered and excluding also items of profit or income of a non-recurring nature but including amounts appropriated from profits to such purposes as payment of taxation or reserve.

(1C) Where any part of the sums required for the matters set out in sub-section (2) of section 101 is to be provided out of sources other than share capital particulars of the amount to be so provided and the sources thereof.

(2) When any such prospectus as is mentioned in this section is published as a newspaper advertisement, it shall not be necessary in the advertisement to specify the contents of the memorandum, or the signatories thereto, and the number of shares subscribed for by them.

(3) This section shall not apply to a circular or notice inviting existing members or debenture holders of a company to subscribe either for shares or for debentures of the company, whether with or without the right to renounce in favour of other persons.

(4) The requirements of this section as to the memorandum and the qualification, remuneration and interest of directors, the names, descriptions and addresses of directors or proposed directors, and of managers or proposed managers, and the amount or estimated amount of preliminary expenses, shall not apply in the case of a prospectus issued more than one year after the date at which the company is entitled to commence business:

Provided that the said requirements, except the requirement as to the amount or estimated amount of preliminary expenses, shall apply to a prospectus filed in pursuance of section 154.

(5) Nothing in this section shall limit or diminish any liability which any person may incur under the general law or this Act apart from this section.

96. (1) Any condition requiring or binding any applicant for shares or debentures to waive compliance with any requirements of section 93, or purporting to affect him with notice of any contract, document or matter not specifically referred to in the prospectus, shall be void.

(2) It shall not be lawful to issue any form of application for the shares in or debentures of a company unless the form is issued with a prospectus which complies with the requirements of section 93.
In the event of non-compliance with any of the requirements of section 93, a director or other person responsible for the prospectus shall not incur any liability by reason of the non-compliance, if he proves that—

(a) as regards any matter not disclosed, he was not cognisant thereof;

or

(b) the non-compliance arose from an honest mistake of fact on his part:

Provided that, in the event of non-compliance with the requirements contained in clause (a) of sub-section (1) of section 93, no such director or other person shall incur any liability in respect of the non-compliance unless it be proved that he had knowledge of the matters not disclosed.

98. (1) A company which does not issue a prospectus or with reference to its formation shall not allot any of its shares or debentures unless before the first allotment of either shares or debentures there has been filed with the registrar a statement in lieu of a prospectus signed by every person who is named therein as a director or a proposed director of the company or by his agent authorised in writing, in the form and containing the particulars set out in the Second Schedule.

(2) This section shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Act or, in so far as it relates to the allotment of shares to a company limited by guarantee and not having a share capital.
Provided that this sub-section shall not apply if it is shown that the form of application was issued either—

(a) in connection with a bona fide invitation to a person to enter into an underwriting agreement with respect to the shares or debentures; or

(b) in relation to shares or debentures which were not offered to the public.

If any person acts in contravention of the provisions of this sub-section, he shall be liable to a fine not exceeding five hundred rupees.

(1) If a prospectus is issued which does not comply with the provisions of section 93, every person who is knowingly responsible for the issue of such prospectus shall be liable to a fine not exceeding fifty rupees for every day from the day of the issue of the prospectus until a copy complying with the requirements of section 93 is filed.

(2) In the event of non-compliance with or contravention of any of the requirements of section 93, a director or other person responsible for the prospectus shall not incur any liability by reason of the non-compliance or contravention, if he proves that—

(a) as regards any matter not disclosed, he was not cognisant thereof; or

(b) the non-compliance or contravention arose from an honest mistake of fact on his part; or

(c) the non-compliance or contravention was in respect of matters which in the opinion of the Court were immaterial, or was otherwise such as ought in the opinion of the Court having regard to all the circumstances of the case reasonably to be excused:

Provided that, in the event of non-compliance with or contravention of the requirements contained in clause (a) of sub-section (1) of section 93, no such director or other person shall incur any liability in respect of the non-compliance or contravention unless it be proved that he had knowledge of the matters not disclosed.

80. (1) A company which does not issue a prospectus on or with reference to its formation shall not allot any of its shares or debentures unless before the first allotment of either shares or debentures there has been filed with the registrar a statement in lieu of prospectus signed by every person who is named therein as a director or a proposed director of the company or by his agent authorised in writing, in the form and containing the particulars set out in the form marked I in the Second Schedule.

(2) This section shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Act or, to the allotment of shares to a company limited by guarantee and not having a share capital.

98A. (1) Where a company allots or agrees to allot any shares or debentures for sale to be deemed a prospectus, any document by which the offer for sale to the public is made shall for all purposes be deemed to be a prospectus issued by the company and all enactments and rules of law as to the contents of prospectuses and to
101. (1) No allotment shall be made of any share capital of a company offered to the public for subscription, unless the following conditions have been complied with, namely:

(a) the amount (if any) fixed by the memorandum or articles and named in the prospectus as the minimum subscription upon which the directors may proceed to allotment; or

(b) if no amount is so fixed and named, then the whole amount of the share capital so offered for subscription,

has been subscribed, and the sum payable on application for the amount so fixed and named or for the whole amount offered for subscription, has been paid to and received in cash by the company.

(2) The amount so fixed and named and the whole amount aforesaid shall be reckoned exclusively of any amount payable otherwise than in cash, and is in this Act referred to as the minimum subscription.
Liability in respect of statements in and omissions from prospectuses or otherwise relating to prospectuses shall apply and have effect accordingly as if the shares or debentures had been offered to the public for subscription and as if persons accepting the offer in respect of any shares or debentures were subscribers for those shares or debentures but without prejudice to the liability, if any, of the persons by whom the offer is made in respect of mis-statements contained in the document or otherwise in respect thereof.

(2) For the purposes of this Act it shall, unless the contrary is proved, be evidence that an allotment of or an agreement to allot shares or debentures was made with a view to the shares or debentures being offered for sale to the public, if it is shown—

(a) that an offer of the shares or debentures or of any of them for sale to the public was made within six months after the allotment or agreement to allot; or

(b) that at the date when the offer was made the whole of the consideration to be received by the company in respect of the shares or debentures had not been so received.

(3) Section 97 shall apply to the person or persons making the offer as though they were persons named in a prospectus as directors of a company, and the provisions of section 98 shall have effect as if it required a prospectus to state, in addition to the matters required by that section to be stated in a prospectus,—

(a) the net amount of the consideration received or to be received by the company in respect of the shares or debentures to which the offer relates, and

(b) the place and time at which the contract under which the said shares or debentures have been or are to be allotted may be inspected.

(4) Where a person making an offer to which this section relates is a company or a firm, it shall be sufficient if the document aforesaid is signed on behalf of the company or firm by all directors of the company or not less than half of the partners, as the case may be, and any such director or partner may sign by his agent authorised in writing.

101. (1) No allotment shall be made of any share capital of a company offered to the public for subscription unless the amount allotted stated in the prospectus as the minimum amount which in the opinion of the directors must be raised by the issue of share capital in order to provide the sums or, if any part thereof is to be defrayed in any other manner, the balance of the sums required to be provided in respect of the matters specified in subsection (2) has been subscribed, and the sum of at least five per cent, thereof has been paid to or received in cash by the company.

(2) The matters for which provision for the raising of a minimum amount of share capital must be made by the directors are the following, namely—

(a) the purchase price of any property purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the issue,
(3) The amount payable on application on each share shall not be less than five per cent. of the nominal amount of the share.

(4) If the conditions aforesaid have not been complied with on the expiration of one hundred and twenty days after the first issue of the prospectus, all money received from applicants for shares shall be forthwith repaid to them without interest, and, if any such money is not so repaid within one hundred and thirty days after the issue of the prospectus, the directors of the company shall be jointly and severally liable to repay that money with interest at the rate of seven per cent. per annum from the expiration of the one hundred and thirtieth day. Provided that a director shall not be liable if he proves that the loss of the money was not due to any misconduct or negligence on his part.

(5) Any condition requiring or binding any applicant for shares to waive compliance with any requirement of this section shall be void.

(6) This section, except sub-section (3) thereof, shall not apply to any allotment of shares subsequent to the first allotment of shares offered to the public for subscription.

(7) In the case of the first allotment of share capital payable in cash of a company which does not issue any invitation to the public to subscribe for its shares, no allotment shall be made unless the minimum subscription (that is to say)—

(a) the amount (if any) fixed by the memorandum or articles and named in the statement in lieu of prospectus as the minimum subscription upon which the directors may proceed to allotment; or

(b) if no amount is so fixed and named, the whole amount of the share capital other than that issued or agreed to be issued as fully or partly paid up otherwise than in cash;

has been subscribed and an amount not less than five per cent. of the nominal amount of each share payable in cash has been paid to and received by the company.

(8) Sub-section (7) shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Act.
(b) any preliminary expenses payable by the company and any commission to subscribe for or of his procuring or agreeing to procure subscriptions for any shares in the company,

(c) the repayment of any money borrowed by the company in respect of any of the foregoing matters, and

(d) working capital.

(2A) The amount referred to in sub-section (1) as the amount stated in the prospectus shall be reckoned exclusively of any amount payable otherwise than in cash and is in this Act referred to as the minimum subscription.

(2B) All moneys received from applicants for shares shall be deposited and kept in a scheduled bank as defined in the Reserve Bank of India Act, 1934, until returned in accordance with the provisions of sub-section (4) or until the certificate to commence business is obtained under section 103.

(2C) In the event of any contravention of the provisions of sub-section (2B) every promoter, director or other person knowingly responsible for such contravention shall be liable to a fine not exceeding five hundred rupees.

(3) The amount payable on application on each share shall not be less than five per cent. of the nominal amount of the share.

(4) If the conditions aforesaid have not been complied with on the expiration of one hundred and eighty days after the first issue of the prospectus, all money received from applicants for shares shall be forthwith repaid to them without interest, and, if any such money is not so repaid within one hundred and ninety days after the issue of the prospectus, the directors of the company shall be jointly and severally liable to repay that money with interest at the rate of seven per cent. per annum from the expiration of the one hundred and ninetieth day; provided that a director shall not be liable if he proves that the loss of the money was not due to any misconduct or negligence on his part.

(5) Any condition requiring or binding any applicant for shares to waive compliance with any requirement of this section shall be void.

(6) This section, except sub-section (3) thereof, shall not apply to any allotment of shares subsequent to the first allotment of shares offered to the public for subscription.

(7) In the case of the first allotment of share capital payable in cash of a company which does not issue any invitation to the public to subscribe for its shares, no allotment shall be made unless the minimum subscription (that is to say)—

(a) the amount (if any) fixed by the memorandum or articles and named in the statement in lieu of prospectus as the minimum subscription upon which the directors may proceed to allotment; or

(b) if no amount is so fixed and named, the whole amount of the share capital other than that issued or agreed to be issued as fully or partly paid up otherwise than in cash;

has been subscribed and an amount not less than five per cent. of the nominal amount of each share payable in cash has been paid to and received by the company.

(8) Sub-section (7) shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Act.
102. (1) An allotment made by a company to an applicant in contravention of the provisions of section 101 shall be voidable at the instance of the applicant within one month after the holding of the statutory meeting of the company and not later, and shall be so voidable notwithstanding that the company is in course of being wound up.

(2) If any director of a company knowingly contravenes or permits or authorises the contravention of any of the provisions of section 101 with respect to allotment, he shall be liable to compensate the company and the allottee respectively for any loss, damages or costs which the company or the allottee may have sustained or incurred thereby; Provided that proceedings to recover any such loss, damages or costs shall not be commenced after the expiration of two years from the date of the allotment.

104. (1) Whenever a company having a share capital makes any allotment of its shares, the company shall, within one month thereafter,—

(a) file with the registrar a return of the allotments, stating the number and nominal amount of the shares comprised in the allotment, the names, addresses and descriptions of the allottees, and the amount (if any) paid or due and payable on each share; and

(b) in the case of shares allotted as fully or partly paid up otherwise than in cash, produce for the inspection and examination of the registrar a contract in writing constituting the title of the allottee to the allotment together with any contract of sale or for services or other consideration in respect of which that allotment was made, such contracts being duly stamped, and file with the registrar copies verified in the prescribed manner of all such contracts and a return stating the number and nominal amount of shares so allotted, the extent to which they are to be treated as paid up, and the consideration for which they have been allotted.

(2) Where such a contract as abovementioned is not reduced to writing, the company shall, within one month after the allotment, file with the registrar the prescribed particulars of the contract stamped with the same stamp-duty as would have been payable if the contract had been reduced to writing, and these particulars shall be deemed to be an instrument within the meaning of the Indian Stamp Act, 1899, and the registrar may, as a condition of filing the particulars, require that the duty payable thereon be adjudicated under section 31 of that Act.

(3) If default is made in complying with the requirements of this section, every officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding five hundred rupees for every day during which the default continues:

Provided that, in case of default in filing with the registrar within one month after the allotment any document required to be filed by this section, the company, or any person liable for the default, may apply to the Court for relief, and the Court, if satisfied that the omission to file the document was accidental or due to-
102. (1) An allotment made by a company to an applicant in contravention of the provisions of section 101 shall be voidable at the instance of the applicant within one month after the holding of the statutory meeting of the company and shall be so voidable notwithstanding that the company is in course of being wound up.

(2) If any director of a company knowingly contravenes or permits or authorises the contravention of any of the provisions of section 101 with respect to allotment, he shall be liable to compensate the company and the allottee respectively for any loss, damages or costs which the company or the allottee may have sustained or incurred thereby: Provided that proceedings to recover any such loss, damages or costs shall not be commenced after the expiration of two years from the date of the allotment.

104. (1) Whenever a company having a share capital makes any allotment of its shares, the company shall, within one month thereafter,—

(a) file with the registrar a return of the allotments, stating the number and nominal amount of the shares comprised in the allotment, the names, addresses and descriptions of the allottees, and the amount (if any) paid or due and payable on each share; and

(b) in the case of shares allotted as fully or partly paid up otherwise than in cash, produce for the inspection and examination of the registrar a contract in writing constituting the title of the allottee to the allotment together with any contract of sale, or for services or other consideration in respect of which that allotment was made, such contracts being duly stamped, and file with the registrar copies verified in the prescribed manner of all such contracts and a return stating the number and nominal amount of shares so allotted, the extent to which they are to be treated as paid up, and the consideration for which they have been allotted.

(2) Where such a contract as above-mentioned is not reduced to writing, the company shall, within one month after the allotment, file with the registrar the prescribed particulars of the contract stamped with the same stamp-duty as would have been payable if the contract had been reduced to writing, and these particulars shall be deemed to be an instrument within the meaning of the Indian Stamp Act, 1899, and the registrar may, as a condition of filing the particulars, require that the duty payable thereon be adjudicated under section 31 of that Act.

(3) If default is made in complying with the requirements of this section, every officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding five hundred rupees for every day during which the default continues:

Provided that, in case of default in filing with the registrar any document required under this section, the company, or any person liable for the default, may apply to the Court for relief, and the Court, if satisfied that the omission to file the docu-
105. (1) It shall be lawful for a company to pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, if the payment of the commission is authorized by the articles and the commission paid or agreed to be paid does not exceed the amount or rate so authorized and if the amount or rate per cent. of the commission paid or agreed to be paid is—

(a) in the case of shares offered to the public for subscription, disclosed in the prospectus; or

(b) in the case of shares not offered to the public for subscription, disclosed in the statement in lieu of prospectus, or in a statement in the prescribed form signed in like manner as a statement in lieu of prospectus and filed with the registrar and, where a circular or notice, not being a prospectus inviting subscription for the shares is issued, also disclosed in that circular or notice.

(2) Save as aforesaid, no company shall apply any of its shares or capital money either directly or indirectly in payment of any commission, discount or allowance, to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, whether the shares or money be, so applied by being added to the purchase-money of any property acquired by the company or to the contract price of any work to be executed for the company, or the money be paid out of the nominal purchase-money or contract price, or otherwise.

(3) Nothing in this section shall affect the power of any company to pay such brokerage as it has heretofore been lawful for a company to pay, and a vendee, or the promoter of, or other person who received payment in money or shares from, a company shall have and shall be deemed always to have had power to apply any part of the money or shares so received in payment of any commission, the payment of which, if made directly by the company, would have been legal under this section.
ment was accidental or due to inadvertence or that on other grounds it is just and equitable to grant relief, may make an order extending the time for the filing of the document for such a period as the Court may think proper.

(4) Nothing in this section shall apply to the issue and allotment by a company of shares which under the provisions of its articles were forfeited for non-payment of calls.

105. (1) It shall be lawful for a company to pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, if the payment of the commission is authorised by the articles and the commission paid or agreed to be paid does not exceed the amount or rate so authorised and if the amount or rate per cent. of the commission paid or agreed to be paid is—

(a) in the case of shares offered to the public for subscription, disclosed in the prospectus; or
(b) in the case of shares not offered to the public for subscription, disclosed in the statement in lieu of prospectus, or in a statement in the prescribed form signed in like manner as a statement in lieu of prospectus and filed with the registrar and, where a circular or notice, not being a prospectus inviting subscription for the shares is issued, also disclosed in that circular or notice.

(2) Save as aforesaid and save as provided in section 105A, no company shall apply any of its shares or capital money either directly or indirectly in payment of any commission, discount or allowance, to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, whether the shares or money be so applied by being added to the purchase-money of any property acquired by the company or to the contract price of any work to be executed for the company, or the money be paid out of the nominal purchase-money or contract price, or otherwise.

(3) Nothing in this section shall affect the power of any company to pay such brokerage as it has heretofore been lawful for a company to pay, and a vendor, promoter of, or other person who receives payment in money or shares from a company shall have and shall be deemed always to have had power to apply any part of the money or shares so received in payment of any commission, the payment of which, if made directly by the company, would have been legal under this section.

105A. (1) Subject to the provisions of this section, it shall be lawful for a company to issue at a discount shares in the company of a class already issued:

Provided that—

(a) the issue of the shares at a discount must be authorised by resolution passed in general meeting of the company and must be sanctioned by the Court;
New S. 105-B)

COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) LXXIX

(b) the resolution must specify the maximum rate of discount (not exceeding ten per cent. in any case) at which shares are to be issued;

c) not less than one year must at the date of issue have elapsed since the date on which the company was entitled to commence business;

d) the shares to be issued at a discount must be issued within six months after the date on which the issue is sanctioned by the Court or within such extended time as the Court may allow.

(2) Every prospectus relating to the issue of the shares and every balance-sheet issued by the company subsequently to the issue of the shares must contain particulars of the discount allowed on the issue of the shares or of so much of that discount as has not been written off at the date of the issue of the document in question.

(3) If default is made in complying with sub-section (2), the company and every officer of the company who is in default shall be liable to a fine not exceeding fifty rupees.

105B. (1) Subject to the provisions of this section, a company limited by shares may, if so authorised by its articles, issue preference shares which are, or at the option of the company are to be, liable to be redeemed:

Provided that—

(a) no such shares shall be redeemed except out of profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption or out of sale proceeds of any property of the company;

(b) no such shares shall be redeemed unless they are fully paid;

(c) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend be transferred to a reserve fund, to be called “the capital redemption reserve fund”, a sum equal to the amount applied in redeeming the shares, and the provisions of this Act relating to the reduction of the share capital of a company shall, except as provided in this section, apply as if the capital redemption reserve fund were paid-up share capital of the company;

(d) where any such shares are redeemed out of the proceeds of a fresh issue, the premium, if any, payable on redemption must have been provided for out of the profits of the company before the shares are redeemed.

(2) There shall be included in every balance-sheet of a company which has issued redeemable preference shares a statement specifying what part of the issued capital of the company consists of such shares and the date or before which those shares are, or are to be, liable to be redeemed or, where no definite date is fixed for redemption, the period of notice to be given for redemption.

If a company fails to comply with the provisions of this sub-section, the company and every officer of the company who is in default shall be liable to a fine not exceeding one thousand rupees.
109. Every mortgage or charge created after the commencement of this Act by a company and being either—

(a) a mortgage or charge for the purpose of securing any issue of debentures; or
(b) a mortgage or charge on uncalled share capital of the company; or
(c) a mortgage or charge on any immovable property wherever situate, or any interest therein; or
(d) a mortgage or charge on any book debts of the company; or
(e) a floating charge on the undertaking or property of the company;

shall, so far as any security on the company's property or undertaking is thereby conferred, be void against the liquidator and any creditor of the company, unless the prescribed particulars of the mortgage or charge, together with the instrument (if any) by which the mortgage or charge is created or evidenced, or a copy
Subject to the provisions of this section, the redemption of preference shares thereunder may be effected on such terms and in such manner as may be provided by the articles of the company.

Where in pursuance of this section a company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued, and accordingly the share capital of the company shall not for the purpose of calculating the fees payable under section 249 be deemed to be increased by the issue of shares in pursuance of this sub-section:

Provided that, where new shares are issued before the redemption of the old shares, the new shares shall not, so far as relates to stamp duty, be deemed to have been issued in pursuance of this sub-section unless the old shares are redeemed within one month after the issue of the new shares.

Where new shares have been issued in pursuance of the last foregoing sub-section, the capital redemption reserve fund may, notwithstanding anything in this section, be applied by the company, up to an amount equal to the nominal amount of the shares so issued, in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares.

The directors decide to increase the capital of the company by the issue of further shares such shares shall be offered to the members in proportion to the existing shares held by each member (irrespective of class) and such offer shall be made by notice specifying the number of shares to which the member is entitled, and limiting a time within which the offer, if not accepted, will be deemed to be declined; and after the expiration of such time, or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company.

Every mortgage or charge created after the commencement of this Act by a company and being either—

(a) a mortgage or charge for the purpose of securing any issue of debentures; or

(b) a mortgage or charge on uncalled share capital of the company; or

(c) a mortgage or charge on any immovable property wherever situate, or any interest therein; or

(d) a mortgage or charge on any book debts of the company; or

(e) a mortgage or charge, not being a pledge on any moveable property of the company except stock-in-trade; or

(f) a floating charge on the undertaking or property of the company; shall, so far as any security on the company's property or undertaking is thereby conferred, be void against the liquidator and any creditor of the company, unless the prescribed particulars of the mortgage or charge, together with the instrument (if any) by which the mortgage or charge is created or

O. C.—VI
thereof verified in the prescribed manner are filed with the registrar for registration in manner required by this Act within twenty-one days after the date of its creation, but without prejudice to any contract or obligation for repayment of the money thereby secured, and when a mortgage or charge becomes void under this section, the money secured thereby shall immediately become payable:

Provided that—

(i) in the case of a mortgage or charge created out of British India, comprising solely property situate outside British India, twenty-one days after the date on which the instrument or copy could, in due course of post, and if despatched with due diligence, have been received in British India shall be substituted for twenty-one days after the date of the creation of the mortgage or charge, as the time within which the particulars and instrument or copy are to be filed with the registrar; and

(ii) where the mortgage or charge is created in British India but comprises property outside British India, the instrument creating or purporting to create the mortgage or charge or a copy thereof verified in the prescribed manner may be filed for registration notwithstanding that further proceedings may be necessary to make the mortgage or charge valid or effectual according to the law of the country in which the property is situate; and

(iii) where a negotiable instrument has been given to secure the payment of any book debts of a company, the deposit of the instrument for the purpose of securing an advance to the company shall not for the purposes of this section be treated as a mortgage or charge on those book debts; and

(iv) the holding of debentures entitling the holder to a charge on immovable property shall not be deemed to be an interest in immovable property.
New S. 109J] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) LXXXIII

evidenced, or a copy thereof verified in the prescribed manner are filed with the registrar for registration in manner required by this Act within twenty-one days after the date of its creation, but without prejudice to any contract or obligation for repayment of the money thereby secured, and when a mortgage or charge becomes void under this section, the money secured thereby shall immediately become payable:

Provided that—

(i) in the case of a mortgage or charge created out of British India, comprising solely property situate outside British India, twenty-one days after the date on which the instrument or copy could, in due course of post, and if despatched with due diligence, have been received in British India shall be substituted for twenty-one days after the date of the creation of the mortgage or charge, as the time within which the particulars and instrument or copy are to be filed with the registrar; and

(ii) where the mortgage or charge is created in British India but comprises property outside British India, the instrument creating or purporting to create the mortgage or charge or a copy thereof verified in the prescribed manner may be filed for registration notwithstanding that further proceedings may be necessary to make the mortgage or charge valid or effectual according to the law of the country in which the property is situate; and

(iii) where a negotiable instrument has been given to secure the payment of any book debts of a company, the deposit of the instrument for the purpose of securing an advance to the company shall not for the purposes of this section be treated as a mortgage or charge on those book debts; and

(iv) the holding of debentures entitling the holder to a charge on immovable property shall not be deemed to be an interest in immovable property.

(2) Where any mortgage or charge on any property of a company required to be registered under this section has been so registered, any person acquiring such property or any part thereof, or any share or interest therein, shall be deemed to have notice of the said mortgage or charge as from the date of such registration.

109A. (1) Where after the commencement of the Indian Companies (Amendment) Act, 1938, a company registered in British India acquires any property which is subject to a charge of any such kind as would, if it had been created by the company after the acquisition of the property, have been required to be registered under this Part, the company shall cause the prescribed particulars of the charge, together with a copy (certified in the prescribed manner to be a correct copy) of the instrument, if any, by which the charge was created or is evidenced, to be delivered to the registrar for registration in manner required by this Act within twenty-one days after the date on which the acquisition is completed.
116. (1) It shall be the duty of the company to file with the registrar for registration the prescribed particulars of every mortgage or charge created by the company and of the issues of debentures of a series, requiring registration under section 119, but registration of any such mortgage or charge may be effected on the application of any person interested therein.

(2) Where the registration is effected on the application of some person other than the company, that person shall be entitled to recover from the company the amount of any fees properly paid by him to the registrar on the registration.

119. (1) Every receiver of the property of a company who has been appointed under the powers contained in any instrument, and who has taken possession, shall once in every half-year while he remains in possession, and also on ceasing to act as receiver, file with the registrar an abstract in the prescribed form of his receipts and payments during the period to which the abstract relates, and shall also, on ceasing to act as receiver, file with the registrar notice to that effect, and the registrar shall enter the notice in the register of mortgages and charges.

(2) Every receiver who makes default in complying with the provisions of this section shall be liable to a fine not exceeding five hundred rupees.

120. The Court, on being satisfied that the omission to register a mortgage or charge within the time required by section 109, or that the omission or mis-statement of any particular with respect to any such mortgage or charge, was accidental, or
Provided that, if the property is situate outside British India, twenty-one days after the date on which the copy of the instrument could in due course of post, and if despatched with due diligence, have been received in British India shall be substituted for twenty-one days after the completion of the acquisition as the time within which the particulars and the copy of the instrument are to be delivered to the registrar.

(2) If default is made in complying with this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine of five hundred rupees.

116. (1) It shall be the duty of the company to file with the registrar for registration the prescribed particulars of every mortgage or charge created by the company and of the issues of debentures of a series, requiring registration under section 109, but registration of any such mortgage or charge may be effected on the application of any person interested therein.

(2) Where the registration is effected on the application of some person other than the company, that person shall be entitled to recover from the company the amount of any fees properly paid by him to the registrar on the registration.

(3) Whenever the terms or conditions or extent or operation of any mortgage or charge registered under this section are modified, it shall be the duty of the company to send to the registrar the particulars of such modification, and the provisions of this section as to registration of mortgage or a charge shall apply to such modification of the mortgage or charge as aforesaid.

119. (1) Every receiver of the property of a company who has been appointed under the powers contained in any instrument, and who has taken possession, shall once in every half-year while he remains in possession, and also on ceasing to act as receiver, file with the registrar an abstract in the prescribed form of his receipts and payments during the period to which the abstract relates, and shall also, on ceasing to act as receiver, file with the registrar notice to that effect, and the registrar shall enter the notice in the register of mortgages and charges.

(2) Where a receiver of the property of a company has been appointed, every invoice, order for goods, or business letter issued by or on behalf of the company, or the receiver of the company, being a document on or in which the name of the company appears, shall contain a statement that a receiver has been appointed.

(3) If default is made in complying with the requirements of this section, the company and every director, manager, managing agent, secretary or other officer of the company and every receiver who knowingly and wilfully authorises or permits the default, shall be liable to a fine not exceeding two hundred rupees.

120. (1) The Court, on being satisfied that the omission to register a mortgage or charge within the time required by section 109, or that the omission or mis-statement of any particulars with respect to any such mortgage or charge, or
due to inadvertence or to some other sufficient cause, or is not of a nature to prejudice the position of creditors or share-holders of the company, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any person interested, and on such terms and conditions as seem to the Court just and expedient, order that the time for registration be extended, or, as the case may be, that the omission or mis-statement be rectified, and may make such order as to the costs of the application as it thinks fit.

121. The registrar may, on evidence being given to his satisfaction that the debt for which any registered mortgage or charge was given has been paid or satisfied, order that a memorandum of satisfaction be entered on the register, and shall, if required, furnish the company with a copy thereof.

122. (1) If any company makes default in filing with the registrar for registration the particulars—
(a) of any mortgage or charge created by the company; or
(b) of the issues of debentures of a series, requiring registration with the registrar under the foregoing provisions of this Act, then, unless the registration has been effected on the application of some other person, the company, and every officer of the company or other person who is knowingly a party to the default, shall on conviction be liable to a fine not exceeding five hundred rupees for every day during which the default continues.

(2) Subject as aforesaid, if any company makes default in complying with any of the requirements of this Act as to the registration with the registrar of any mortgage or charge created by the company, the company, and every officer of the company, who knowingly and wilfully authorises or permits the default, shall, without prejudice to any other liability, be liable on conviction to a fine not exceeding one thousand rupees.
the omission to give intimation to the registrar of the payment or satisfac-
tion of a debt for which a charge or mortgage was created, was accidental,
or due to inadvertence or to some other sufficient cause, or is not of a nature
to prejudice the position of creditors or share-holders of the company, or that
on other grounds it is just and equitable to grant relief, may, on the appli-
cation of the company or any person interested, and on such terms and
conditions as seem to the Court just and expedient, order that the time for
registration be extended, or, as the case may be, that the omission or mis-
statement be rectified, and may make such order as to the costs of the applica-
tion as it thinks fit.

(2) When the Court extends the time for the registration of a mort-
gage or charge, the order shall not prejudice any rights acquired in respect of
the property concerned prior to the time when the mortgage or charge is
actually registered.

121. (1) It shall be the duty of the company to give intimation to the
Registrar of the payment or satisfaction of any charge or
mortgage created by the company and requiring registra-
tion under section 109 within twenty-one days from the
date of the payment or satisfaction thereof.

(2) The registrar shall on receipt of such intimation cause a notice
to be sent to the mortgagee calling upon him to show cause, within a time (not
exceeding fourteen days) to be fixed by such notice, why the payment or
satisfaction of the charge or mortgage should not be recorded.

(3) The registrar shall, if no cause is shown, order that a memorandum
of satisfaction be entered on the register and shall if required furnish the
company with a copy thereof.

(4) Where cause is shown, the registrar shall record a note to that
effect in the register, and shall inform the company that he has done so.

Penalties.

122. (1) If any company makes default in filing with the registrar for registration the particulars—
(a) of any mortgage or charge created by the company; or
(b) of the payment or satisfaction of a debt in respect of which a
mortgage or charge has been registered under section 109 or
section 109A; or
(c) of the issues of debentures of a series,
requiring registration with the registrar under the foregoing provisions of
this Act, then, unless the registration has been effected on the application
of some other person, the company, and every officer of the company or other
person who is knowingly a party to the default, shall on conviction be liable
to a fine not exceeding five hundred rupees for every day during which the
default continues.

(2) Subject to the aforesaid, if any company makes default in complying
with any of the requirements of this Act as to the registration with the regist-
trar of any mortgage or charge created by the company, the company, and
every officer of the company, who knowingly and wilfully authorises or
permits the default shall, without prejudice to any other liability, be liable on
conviction to a fine not exceeding one thousand rupees.
(5) If any person knowingly and wilfully authorises or permits the delivery of any debenture or certificate of debenture stock requiring registration with the registrar under the foregoing provisions of this Act without a copy of the certificate of registration being endorsed upon it, he shall, without prejudice to any other liability, be liable on conviction to a fine not exceeding one thousand rupees.

123. (1) Every limited company shall keep a register of mortgages and enter therein all mortgages and charges specifically affecting property of the company, giving in each case a short description of the property mortgaged or charged, the amount of the mortgage or charge and (except in the case of securities to bearer) the names of the mortgagees or persons entitled thereto.

(2) If any director, manager or other officer of the company knowingly and wilfully authorises or permits the omission of any entry required to be made in pursuance of this section, he shall be liable to a fine not exceeding five hundred rupees.

130. Every company shall keep proper books of account in which shall be entered full, true and complete accounts of the affairs and transactions of the company.

131. (1) Every company shall, once at least in every year and at intervals of not more than fifteen months, cause the accounts of the company to be balanced and a balance-sheet to be prepared.

(2) The balance-sheet shall be audited by the auditor of the company as hereinafter provided, and the auditor's report shall be attached thereto, or there shall be inserted at the foot thereof a reference to the report, and the report shall be read before the company in general meeting and shall be open to inspection by any member of the company.

(3) Every company other than a private company shall send a copy of such balance-sheet so audited to the registered address of every member of the company at least seven days before the meeting at which it is to be laid before the members of the company, and shall deposit a copy at the registered office of the company.
New S. 123] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1926) LXXXIX

(3) If any person knowingly and wilfully authorises or permits the delivery of any debenture or certificate of debenture stock requiring registration with the registrar under the foregoing provisions of this Act without a copy of the certificate of registration being endorsed upon it, he shall, without prejudice to any other liability, be liable on conviction to a fine not exceeding one thousand rupees.

122. (1) Every company shall keep a register of mortgages and enter therein all mortgages and charges specifically affecting property of the company and all floating charges on the undertaking or on any property of the company, giving in each case a short description of the property mortgaged or charged, the amount of the mortgage or charge and (except in the case of securities to bearer) the names of the mortgagees or persons entitled thereto.

(2) If any director, manager or other officer of the company knowingly and wilfully authorises or permits the omission of any entry required to be made in pursuance of this section, he shall be liable to a fine not exceeding five hundred rupees.

Books to be kept by every company and penalty

130. (1) Every company shall cause to be kept proper books of account with respect to—
(a) all sums of money received and expended by the company, and the matters in respect of which the receipt and expenditure takes place;
(b) all sales and purchases of goods by the company;
(c) the assets and liabilities of the company.

(2) The books of account shall be kept at the registered office of the company or at such other place as the directors think fit, and shall be open to inspection by the directors during business hours.

(3) In the case of a company managed by a managing agent the managing agent, or where the managing agent is a firm or company, the partner or director of such firm or company and in any other case the director or directors who have knowingly by their act or omission been the cause of any default by the company in complying with the requirements of this section, shall in respect of such offence be liable to a fine not exceeding one thousand rupees.

131. (1) The directors of every company shall at some date not later than eighteen months after the incorporation of the company lay before the company in general meeting a balance-sheet and profit and loss account or in the case of a company not trading for profit an income and expenditure account for the period, in the case of the first account since the incorporation of the company and in any other case since the preceding account, made up to a date not earlier than the date of the meeting by more than nine months or in the case of a company carrying on business or having interests outside British India by more than twelve months:

Provided that the registrar may for any special reason extend the period by a period not exceeding three months.
132. (1) The balance-sheet shall contain a summary of the property and
assets and of the capital and liabilities of the company

Contents of balance-sheet giving such particulars as will disclose the general nature of
those liabilities and assets and how the value of the fixed
assets has been arrived at.

(2) The balance-sheet shall be in the form marked F in the Third Schedule
or as near thereto as circumstances admit.
The balance-sheet and the profit and loss account or income and expenditure account shall be audited by the auditor of the company as hereinafter provided, and the auditor's report shall be attached thereto, or there shall be inserted at the foot thereof a reference to the report, and the report, shall be read before the company in general meeting and shall be open to inspection by any member of the company.

(2) Every company other than a private company shall send a copy of such balance-sheet and profit and loss account or income and expenditure account as audited together with a copy of the auditors' report to the registered address of every member of the company at least fourteen days before the meeting at which it is to be laid before the members of the company, and shall deposit a copy at the registered office of the company for the inspection of the members of the company during a period of at least fourteen days before that meeting.

131A (1) The directors shall make out and attach to every balance-sheet a report with respect to the state of the company's affairs, the amount, if any, which they recommend should be paid by way of dividend and the amount, if any, which they propose to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically on the balance-sheet or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in a subsequent balance-sheet.

(2) The report referred to in sub-section (1) may be signed by the chairman of the directors on behalf of the directors if authorised in that behalf by the directors.

(3) The provisions of sub-section (3) of section 130 shall apply to any person being a director who is knowingly and wilfully guilty of a default in complying with this section.

132. (1) The balance-sheet shall contain a summary of the property and assets and of the capital and liabilities of the company giving such particulars as will disclose the general nature of those liabilities and assets and how the value of the fixed assets has been arrived at.

(2) The balance-sheet shall be in the form marked F in the Third Schedule or as near thereto as circumstances admit.

(3) The profit and loss account shall include particulars showing the total of the amount paid whether as fees, percentages or otherwise to the managing agent, if any, and the directors respectively as remuneration for their services and, where a special resolution passed by the members of the company so requires, to the manager, and the total of the amount written off for depreciation. If any director of the company is by virtue of the nomination, whether direct or indirect, of the company, a director of any other company, any remuneration or other emoluments received by him for his own use, whether as a director of, or otherwise in connection with the management of, that other company, shall be shown in a note at the foot of the account or in a statement attached thereto.
132A. (1) Where a company, in this Act referred to as the holding company, holds shares, either directly or through a nominee, in a subsidiary company or in two or more subsidiary companies, there shall be annexed to the balance-sheet of the holding company the last audited balance-sheet, profit and loss account and auditors' report of the subsidiary company or companies, and a statement signed by the persons by whom, in pursuance of section 133, the balance-sheet of the holding company is signed stating how the profits and losses of the subsidiary company, or, where there are two or more subsidiary companies, the aggregate profits and losses of those companies, have been dealt with in or for the purposes of the accounts of the holding company, and in particular how and to what extent—

(a) provision has been made for the losses of a subsidiary company either in the accounts of that company or of the holding company or of both, and

(b) losses of a subsidiary company have been taken into account by the directors of the holding company in arriving at the profits and losses of the company as disclosed in its accounts:

Provided that it shall not be necessary to specify in any such statement the actual amount of the profits or losses of any subsidiary company or the actual amount of any part of any such profits or losses which has been dealt with in any particular manner:

Provided further that for the purposes of this section an investment company, that is to say, a company whose principal business is the acquisition and holding of shares, stocks, debentures or other securities, shall not be deemed to be a holding company by reason only that part of its assets consists in 31 per cent, or more of the shares of another company.

(2) If, in the case of a subsidiary company, the auditors' report on the balance-sheet of the company does not state without qualification that the auditors have obtained all the information and explanations they have required and that the balance-sheet is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them and as shown by the books of the company, the statement, which is to be annexed as aforesaid to the balance-sheet of the holding company, shall contain particulars of the manner in which the report is qualified.

(3) For the purposes of this section the profits or losses of a subsidiary company mean the profits or losses shown in any accounts of the subsidiary company made up to a date within the period to which the accounts of the holding company relate, or, if there are no such accounts of the subsidiary company available at the time when the accounts of the holding company are made up, the profits or losses shown in the last previous accounts of the subsidiary company which became available within that period.

(4) If for any reason the directors of the holding company are unable to obtain such information as is necessary for the preparation of the statement aforesaid, the directors who sign the balance-sheet shall so report in writing and their report shall be annexed to the balance-sheet in lieu of the statement.

(5) The holding company may by a resolution authorise representatives named in the resolution to inspect the books of account kept in accordance
133. (1) Save as provided by sub-section (2), the balance-sheet shall—
(i) in the case of a banking company, be signed by the manager (if any) and, where there are more than three directors of the company, by at least three of those directors and, where there are not more than three directors, by all the directors;
(ii) in the case of any other company, be signed by two directors or, when there are less than two directors, by the sole director and by the manager (if any) of the company.

(2) When the total number of directors of the company for the time being in British India is less than the number of directors whose signatures are required by sub-section (1), then the balance-sheet shall be signed by all the directors for the time being in British India, or, if there is only one director for the time being in British India, by such director, but in such a case there shall be subjoined to the balance-sheet a statement signed by such director explaining the reason for non-compliance with the provisions of sub-section (1).

(3) If any copy of a balance-sheet which has not been signed as required by this section is issued, circulated or published, the company and every officer of the company who is knowingly a party to the default shall be punishable with fine which may extend to five hundred rupees.

134. (1) After the balance-sheet has been laid before the company at the general meeting a copy thereof signed by the manager or secretary of the company shall be filed with the registrar at the same time as the copy of the annual list of members and summary prepared in accordance with the requirements of section 32.

(2) If the general meeting before which a balance-sheet is laid does not adopt the balance-sheet, a statement of that fact and of the reasons therefor shall be annexed to the balance-sheet and to the copy thereof required to be filed with the registrar.

(3) This section shall not apply to a private company.
section 130 by any subsidiary company, and on such resolution being passed those books of account shall be open to inspection by those representatives at any time during business hours.

(6) The rights conferred by section 138 upon members of a company may be exercised in respect of any subsidiary company by members of the holding company as if they were members of that subsidiary company.

133. (1) Save as provided by sub-section (2) the balance-sheet and profit and loss account or income and expenditure account shall—

(i) in the case of a banking company, be signed by the manager or managing agent (if any) and, where there are more than three directors of the company, by at least three of those directors and, where there are not more than three directors, by all the directors; 

(ii) in the case of any other company, be signed by two directors or, when there are less than two directors, by the sole director and by the manager or managing agent (if any) of the company.

(2) When the total number of directors of the company for the time being in British India is less than the number of directors whose signatures are required by sub-section (1), then the balance-sheet and profit and loss account or income and expenditure account shall be signed by all the directors for the time being in British India, or, if there is only one director for the time being in British India, by such director, but in such a case there shall be subjoined to the balance-sheet and profit and loss account or income and expenditure account a statement signed by such directors or director explaining the reason for non-compliance with the provisions of sub-section (1).

(3) If any default is made in laying before the company or in issuing a balance-sheet and profit and loss account or income and expenditure account as required by section 131 or if any balance-sheet and profit and loss account or income and expenditure account is issued, circulated or published which does not comply with the requirements laid down by and under section 131, section 132, section 132A and this section, the company and every officer of the company who is knowingly and wilfully a party to the default shall be punishable with fine which may extend to five hundred rupees.

134. (1) After the balance-sheet and profit and loss account have been laid before the company at the general meeting a copy of the balance-sheet signed by the manager or secretary of the company shall be filed with the registrar at the same time as the copy of the annual list of members and summary prepared in accordance with the requirements of section 32.

(2) If the general meeting before which a balance-sheet is laid does not adopt the balance-sheet, a statement of that fact and of the reasons therefor shall be annexed to the balance-sheet and to the copy thereof required to be filed with the registrar.

(3) This section shall not apply to a private company.
(4) Every company being a limited banking company or an insurance company or a deposit, provident or benefit society shall, to begin business, and also on the first Monday in February and the first Monday in August in every year during which it carries on business, make a statement in the form marked G in the Third Schedule, or as near thereto as circumstances will admit.

(2) A copy of the statement shall be displayed, and until the display of the next following statement, kept displayed in a conspicuous place in the registered office of the company, and in every branch office or place where the business of the company is carried on.

(3) Every member and every creditor of the company shall be entitled to a copy of the statement on payment of a sum not exceeding eight annas.

(4) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

(5) This section shall not apply to a life assurance company or provident insurance society to which the provisions of the Indian Life Assurance Companies Act, 1912, or of the Provident Insurance Societies Act, 1912, as the case may be, as to the annual statements to be made by such company or society, apply with or without modifications, if the company or society complies with those provisions.

135. Save as otherwise provided in this Act, any member of a company shall be entitled to be furnished with copies of the balance-sheet and the auditor’s report at a charge not exceeding six annas for every hundred words or fractional part thereof.

136. (1) Every company being a limited banking company or an insurance company or a deposit, provident or benefit society shall, before it commences business, and also on the first Monday in February and the first Monday in August in every year during which it carries on business, make a statement in the form marked G in the Third Schedule, or as near thereto as circumstances will admit.

(2) A copy of the statement shall be displayed, and until the display of the next following statement, kept displayed in a conspicuous place in the registered office of the company, and in every branch office or place where the business of the company is carried on.

(3) Every member and every creditor of the company shall be entitled to a copy of the statement on payment of a sum not exceeding eight annas.

(4) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

(5) This section shall not apply to a life assurance company or provident insurance society to which the provisions of the Indian Life Assurance Companies Act, 1912, or of the Provident Insurance Societies Act, 1912, as the case may be, as to the annual statements to be made by such company or society, apply with or without modifications, if the company or society complies with those provisions.

137. (1) Where the registrar, on perusal of any document which a company is required to submit to him under the provisions of this Act, is of opinion that any information or explanation is necessary in order that such document may afford full particulars of the matter to which it purports to relate, he may, by a written order, call on the company submitting the document to furnish in writing such information or explanation within such time as he may specify in his order.

(2) On the receipt of an order under sub-section (1), it shall be the duty of all persons who are or have been officers of the company to furnish such information or explanation to the best of their power.
(1) Every company being a limited banking company or an insurance company or a deposit, provident or benefit society shall, before it commences business, and also on the first Monday in February and the first Monday in August in every year during which it carries on business, make a statement in the form marked G in the Third Schedule, or as near thereto as circumstances will admit.

(2) A copy of the statement together with a copy of the last audited balance-sheet laid before the members of the company shall be displayed and, until the display of the very following statement, kept displayed in a conspicuous place in the registered office of the company, and in every branch office or place where the business of the company is carried on.

(3) Every member and every creditor of the company shall be entitled to a copy of the statement on payment of a sum not exceeding eight annas.

(4) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and willfully authorises or permits the default shall be liable to the like penalty.

(5) This section shall not apply to a life assurance company or provident insurance society to which the provisions of the Indian Life Assurance Companies Act, 1912, or of the Provident Insurance Societies Act, 1912, as the case may be, as to annual statements to be made by such company or society, apply with or without modifications, if the company or society complies with those provisions.

136. (1) Where the registrar, on perusal of any document which a company is required to submit to him under the provisions of this Act, is of opinion that any information or explanation is necessary in order that such document may afford full particulars of the matter to which it purports to relate, he may, by a written order, call on the company submitting the document to furnish in writing such information or explanation within such time as he may specify in such order.

(2) On the receipt of an order under sub-section (1), it shall be the duty of all persons who are or have been officers of the company to furnish such information or explanation to the best of their power.
If any such person refuses or neglects to furnish any such information or explanation, he shall be liable to a fine not exceeding fifty rupees in respect of each offence.

On receipt of such information or explanation the registrar may annex the same to the original document submitted to him; and any additional document so annexed by the registrar shall be subject to the like provisions as to inspection and the taking of copies as the original document is subject.

If such information or explanation is not furnished within the specified time, or if after perusal of such information or explanation the registrar is of opinion that the document in question discloses an unsatisfactory state of affairs, or that it does not disclose a full and fair statement of the matters to which it purports to relate, the registrar shall report in writing the circumstances of the case to the Local Government.

On the conclusion of the investigation, the inspectors shall report their opinion to the Local Government, and a copy of the report shall be forwarded by the Local Government to the registered office of the company, and a further copy shall, at the request of the applicants for the investigation, be delivered to them.

The report shall be written or printed, as the Local Government directs.

All expenses of, and incidental to, the investigation shall be defrayed by the company unless the Local Government directs the same to be paid by the company, which the Local Government is hereby authorised to do.
(3) If any such person refuses or neglects to furnish any such information or explanation, he shall be liable to a fine not exceeding fifty rupees in respect of each offence, and the Court may on the application of the registrar and upon notice to the company make an order on the company for production of such documents as in its opinion may reasonably be required by the registrar for his investigation and allow the registrar inspection thereof on such terms and conditions as it thinks fit:

(4) On receipt of such information or explanation the registrar may annex the same to the original document submitted to him; and any additional document so annexed by the registrar shall be subject to the like provisions as to inspection and the taking of copies as the original document is subject.

(5) If such information or explanation is not furnished within the specified time, or if after perusal of such information or explanation the registrar is of opinion that the document in question discloses an unsatisfactory state of affairs, or that it does not disclose a full and fair statement of the matters to which it purports to relate, the registrar shall report in writing the circumstances of the case to the Local Government.

(6) If it is represented to the registrar in materials placed before him by any contributory or creditor that the business of a company is carried on in fraud of its creditors or in fraud of persons dealing with the company or for a fraudulent purpose, he may after giving the company an opportunity of being heard by written order call on the company for information or explanation on matters specified in the order within such time as he may specify in the order and the provisions of sub-sections (3), (5) and (6) of this section shall apply to such order. If upon investigation the registrar is satisfied that any representation on which he has taken action under this sub-section is frivolous or vexatious, he shall disclose the identity of the informant to the company.

(7) The provisions of this section shall apply mutatis mutandis to documents which a liquidator is required to file under this Act.

141. (1) On the conclusion of the investigation, the inspectors shall report their opinion to the Local Government, and a copy of the report shall be forwarded by the Local Government to the registrar and another copy to the registered office of the company, and a further copy shall, at the request of the applicants for the investigation, be delivered to them.

(2) The report shall be written or printed, as the Local Government directs.

(3) All expenses of, and incidental to, the investigation shall be defrayed by the applicants unless the Local Government directs the same to be paid by the company, which the Local Government is hereby authorised to do:

Provided that the expenses of and incidental to an investigation held in pursuance of clause (b) of section 138 shall be paid out of the assets of the company and shall be recoverable as an arrear of land revenue.

(4) The registrar shall keep the copy of the report sent to him with the records of the company in his custody.
144. (1) No person shall be appointed or act as an auditor of any company other than a private company unless he holds a certificate from the Governor General in Council entitling him to act as an auditor of companies:

Provided that a firm whereof all the partners practising in India hold such certificates may be appointed by its firm-name to be auditor of a company, and may act in its firm-name.

(2) The Governor General in Council may, by notification in the Gazette of India and after previous publication, make rules providing for the grant, renewal or cancellation of such certificates and prescribing conditions and restrictions for such grant, renewal or cancellation:

Provided that nothing contained in such rules shall preclude any person from being granted a certificate merely by reason that he does not practise as a public accountant.

(2-A) In particular, and without prejudice to the generality of the foregoing power, such rules may—

(a) provide for the maintenance of a Register of Accountants entitled to apply for such certificates;
(b) prescribe the qualifications for enrolment on the Register and the fees therefor;
(c) provide for the examination of candidates for enrolment, and prescribe the fees to be paid by examinees;
(d) prescribe the circumstances in which the name of any person may be removed from or restored to the Register;
(e) provide for the establishment, constitution and procedure of an Indian Accountancy Board, consisting of persons representing the interests principally affected or having special knowledge of accoun-
141A. (1) If from any report made under section 138 it appears to the Local Government that any person has been guilty of any offence in relation to the company for which he is criminally liable, the Local Government shall refer the matter to the Advocate General or the Public Prosecutor.

(2) If the officer to whom the matter is referred considers that the case is one in which a prosecution ought to be instituted, he shall cause proceedings to be instituted, and it shall be the duty of all officers and agents of the company, past and present (other than the accused in the proceedings), to give to him all assistance in connection with the prosecution which they are reasonably able to give.

(3) For the purposes of sub-section (2), the expression "agents" in relation to a company shall be deemed to include the bankers and legal advisers of the company and any persons employed by the company as auditors, whether those persons are or are not officers of the company.

(4) Any director, manager or other officer of the company convicted as the result of a prosecution initiated under this section shall not without the leave of the Court be a director or in any way whether directly or indirectly be concerned in or take part in the management of a company for a period of five years from the date of such conviction.

144. (1) No person shall be appointed or act as an auditor of any company other than a private company not being the subsidiary company of a public company unless he holds a certificate from the Governor General in Council entitling him to act as an auditor of companies:

Provided that a firm whereof all the partners practising in India hold such certificates may be appointed by its firm-name to be auditor of a company, and may act in its firm-name.

(2) The Governor General in Council may, by notification in the Gazette of India and after previous publication, make rules providing for the grant, renewal or cancellation of such certificates and prescribing conditions and restrictions for such grant, renewal or cancellation:

Provided that nothing contained in such rules preclude any person from being granted a certificate merely by reason that he does not practise as a public accountant.

(2-A) In particular, and without prejudice to the generality of the foregoing powers, such rules may—

(a) provide for the maintenance of a Register of Accounts entitled to apply for such certificates;

(b) prescribe the qualifications for enrolment on the Register and the fees therefor;

(c) provide for the examination of candidates for enrolment, and prescribe the fees to be paid by examinées;

(d) prescribe the circumstances in which the name of any person may be removed from or restored to the Register;

(e) provide for the establishment, constitution and procedure of an Indian Accountancy Board, consisting of persons representing the interests principally affected or having special knowledge.
COMPANIES ACT (VII of 1913)

...tancy in India, to advise him on all matters of administration relating to accountancy, and to assist him in maintaining the standards of qualification and conduct of persons enrolled on the Register; and

(f) provide for the establishment, constitution and procedure of local accountancy boards at such centres as the Governor General in Council may select, to advise him and the Indian Accountancy Board on any matter that may be referred to them.

(2-B) The holder of a certificate granted under this section shall be entitled to be appointed and act as an auditor of companies throughout British India.

(3) Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

(4) If an appointment of an auditor is not made at an annual general meeting, the Local Government may, on the application of any member of the company, appoint an auditor of the company for the current year, and fix the remuneration to be paid to him by the company for his services.

(5) The following persons: that is to say,

(i) a director or officer of the company; and

(ii) a partner of such director or officer; and

(iii) in the case of a company other than a private company, any person in the employment of such director or officer,

shall not be appointed auditors of the company.

(6) A person, other than a retiring auditor, shall not be capable of being appointed auditor at an annual general meeting unless notice of an intention to nominate that person to the office of auditor has been given by a member of the company to the company not less than fourteen days before such annual general meeting, and the company shall send a copy of any such notice to the retiring auditor, and shall give notice thereof to its members either by advertisement or in any other mode allowed by the articles not less than seven days before the annual general meeting:

Provided that, if after notice of the intention to nominate an auditor has been given to the company, an annual general meeting is called for a date fourteen days or less after the notice has been given, the requirements of this section as to time in respect of such a notice shall be deemed to have been satisfied, and the notice to be sent or given by the company may, instead of being sent or given within the time required by this section, be sent or given at the same time as the notice of the annual general meeting.

(7) The first auditors of the company may be appointed by the directors before the statutory meeting, and if so appointed shall hold office until the first annual general meeting, unless previously removed by a resolution of the members of the company in general meeting, in which case such members at that meeting may appoint auditors.
of accountancy in India, to advise him on all matters of administration relating to accountancy, and to assist him in maintaining the standards of qualification and conduct of persons enrolled on the Register; and

(1) provide for the establishment, constitution and procedure of local accountancy boards at such centres as the Governor General in Council may select, to advise him and the Indian Accountancy Board on any matter that may be referred to them.

(2-B) The holder of a certificate granted under this section shall be entitled to be appointed and act as an auditor of companies throughout British India.

(3) Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

(4) If an appointment of an auditor is not made at an annual general meeting, the Local Government may, on the application of any member of the company, appoint an auditor of the company for the current year, and fix the remuneration to be paid to him by the company for his services.

(5) The following persons: that is to say,

(i) a director or officer of the company; and
(ii) a partner of such director or officer; and
(iii) in the case of a company other than a private company not being the subsidiary company of a public company, any person in the employment of such director or officer; and
(iv) any person indebted to the company shall not be appointed auditors of the company and if any person after being appointed auditor becomes indebted to the company his appointment shall thereupon be terminated.

(6) A person, other than a retiring auditor, shall not be capable of being appointed auditor at an annual general meeting unless notice of an intention to nominate that person to the office of auditor has been given by a member of the company to the company not less than fourteen days before such annual general meeting, and the company shall send copy of any such notice to the retiring auditor, and shall give notice thereof to its members either by advertisement or in any other mode allowed by the articles not less than seven days before the annual general meeting:

Provided that, if after notice of the intention to nominate an auditor has been given to the company, an annual general meeting is called for a date fourteen days or less after the notice has been given, the requirements of this section as to time in respect of such a notice shall be deemed to have been satisfied, and the notice to be sent or given by the company may, instead of being sent or given with the time required by this section, be sent or given at the same time as the notice of the annual general meeting:

(7) The first auditors of the company may be appointed by the directors before the statutory meeting, and if no appointment shall hold office until the first annual general meeting, unless previously removed by a resolution of the members of the company in general meeting, in which case such members at that meeting may appoint auditors.
(8) The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues, the surviving or continuing auditor or auditors (if any) may act.

(9) The remuneration of the auditors of a company shall be fixed by the company in general meeting, except that the remuneration of any auditors appointed before the statutory meeting, or to fill any casual vacancy, may be fixed by the directors.

145. (1) Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors.

(2) The auditors shall make a report to the members of the company on the accounts examined by them, and on every balance-sheet laid before the company in general meeting during their tenure of office, and the report shall state:

(a) whether or not they have obtained all the information and explanations they have required; and

(b) whether, in their opinion, the balance-sheet referred to in the report is drawn up in conformity with the law; and

(c) whether such balance-sheet exhibits a true and correct view of the state of the company’s affairs according to the best of their information and the explanations given to them, and as shown by the books of the company.

(3) In the case of a banking company, if the company has branch banks beyond the limits of India, it shall be sufficient if the auditor is allowed access to such copies of and extracts from the books and accounts of any such branch as have been transmitted to the head office of the company in British India.
(8) The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues, the surviving or continuing auditor or auditors (if any) may act.

(9) The remuneration of the auditors of a company shall be fixed by the company in general meeting, except that the remuneration of any auditors appointed before the statutory meeting, or to fill any casual vacancy, may be fixed by the directors.

145. (1) Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors.

(8) The auditors shall make a report to the members of the company on the accounts examined by them, and on every balance-sheet and profit and loss account laid before the company in general meeting during their tenure of office, and the report shall state:—

(a) whether or not they have obtained all the information and explanations they have required; and

(b) whether or not in their opinion the balance-sheet and the profit and loss account referred to in the report are drawn up in conformity with the law; and

(c) whether or not such balance-sheet exhibits a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them, and as shown by the books of the company; and

(d) whether in their opinion books of account have been kept by the company as required by section 130.

(2A) Where any of the matters referred to in clauses (a), (b), (c) and (d) of sub-section (b) is answered in the negative or with a qualification, the report shall state the reason for such answer.

(3) In the case of a banking company, if the company has branch banks beyond the limits of India, it shall be sufficient if the auditor is allowed access to such copies of and extracts from the books and accounts of any such branch as have been transmitted to the head office of the company in British India.

(4) The auditors of a company shall be entitled to receive notice of and to attend any general meeting of the company at which any accounts which have been examined or reported on by them are to be laid before the company and may make any statement or explanation they desire with respect to the accounts.

(5) If any auditors' report is made which does not comply with the requirements of this section, every auditor who is knowingly and wilfully a party to the default shall be punishable with fine which may extend to one hundred rupees.
146. (1) Holders of preference shares and debentures of a company shall have the same right to receive and inspect the balance-sheets of the company and the reports of the auditors and other reports as is possessed by the holders of ordinary shares in the company.

(2) This section shall not apply to a private company, nor to a company registered before the commencement of this Act.

153. (1) Where a compromise or arrangement is proposed between a company and its creditors or any class of them, or between the company and its members or any class of them, the Court may, on the application in a summary way of the company or of any creditor or member of the company or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the members of the company or class of members, as the case may be, to be called, held and conducted in such manner as the Court directs.

(2) If a majority in number representing three-fourths in value of the creditors or class of creditors, or members or class of members, as the case may be, present either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Court, be binding on all the creditors or the class of creditors, or on all the members or class of members, as the case may be, and also on the company, or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

(3) In this section the expression "company" means any company liable to be wound up under this Act.
146. (1) Holders of preference shares and debentures of a company shall have the same right to receive and inspect the balance-sheets and profit and loss accounts of the company and the reports of the auditors and other reports as is possessed by the holders of ordinary shares in the company.

(2) This section shall not apply to a private company, nor to a company registered before the commencement of this Act:

Provided that in the case of any public company whether registered before or after the commencement of this Act the trustees for holders of debentures shall have the right conferred by sub-section (1) on holders of preference shares and debentures of a company.

153. (1) Where a compromise or arrangement is proposed between a company and its creditors or any class of them, or between the company and its members or any class of them, the Court may, on the application in a summary way of the company or of any creditor or member of the company or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the members of the company or class of members, as the case may be, to be called, held and conducted in such manner as the Court directs.

(2) If a majority in number representing three-fourths in value of the creditors or class of creditors, or members or class of members, as the case may be, present either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Court, be binding on all the creditors or the class of creditors, or on all the members or class of members, as the case may be, and also on the company, or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

(3) An order made under sub-section (2) shall have no effect until a certified copy of the order has been filed with the registrar, and a copy of every such order shall be annexed to every copy of the memorandum of the company issued after the order has been made, or in the case of a company not having a memorandum, of every copy so issued of the instrument constituting or defining the constitution of the company.

(4) If a company makes default in complying with sub-section (3) the company and every officer of the company who is knowingly and willfully in default shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made.

(5) The Court may, at any time after an application has been made to it under this section, stay the commencement or continuation of any suit or proceeding against a company on such terms as it thinks fit and proper until the application is finally disposed of.

(6) In this section the expression "company" means any company liable to be wound up under this Act and for the purposes of this section unsecured creditors who may have filed suits or obtained decrees shall be deemed to be of the same class as other unsecured creditors.

(7) An appeal shall be from any order made by the Court exercising original jurisdiction under this section to the authority authorised to hear appeals from the decisions of the Court.
153A. (1) Where an application is made to the Court under section 153 for the sanctioning of a compromise or arrangement proposed between a company and any such persons as are mentioned in that section, and it is shown to the Court that the compromise or arrangement has been proposed for the purpose of or in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies, and that under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (as this section referred to as a 'transferor company') is to be transferred to another company (as this section referred to as the 'transferee company'), the Court may, either by the order sanctioning the compromise or arrangement or by any subsequent order, make provision for all or any of the following matters—

(a) the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of any transferor company;

(b) the allotting or appropriation by the transferee company of any shares, debentures, policies, or other like interests in that company which under the compromise or arrangement are to be allotted or appropriated by that company to or for any person;

(c) the continuation by or against the transferee company of any legal proceedings pending by or against any transferor company;

(d) the dissolution, without winding up, of any transferor company;

(e) the provision to be made for any persons who, within such time and in such manner as the Court directs, dissent from the compromise or arrangement;

(f) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out.

(2) Where an order under this section provides for the transfer of property or liabilities, that property shall, by virtue of the order, be transferred to and vest in, and those liabilities shall, by virtue of the order, be transferred to and become the liabilities of, the transferee company, and in the case of any property, if the order so directs, freed from any charge which is by virtue of the compromise or arrangement to cease to have effect.

(3) Where an order is made under this section, every company in relation to which the order is made shall cause a certified copy thereof to be delivered to the registrar for registration within fourteen days after the completion of the order, and if default is made in complying with this subsection, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.

(4) In this section the expression 'property' includes property, rights and powers of every description, and the expression 'liabilities' includes duties.

(5) Notwithstanding the provisions of sub-section (4) of section 153, the expression 'company' in this section does not include any company other than a company within the meaning of this Act.
COMPANIES ACT (VII of 1913)
1318. (1) Where a scheme or contract involving the transfer of shares or any class of shares in a company (in this section referred to as the 'transferor company') to another company, whether a company within the meaning of this Act or not (in this section referred to as the 'transferee company'), has within four months after the making of the offer in that behalf by the transferee company been approved by the holders of not less than three-fourths in value of the shares affected, the transferee company may, at any time within two months after the expiration of the said four months, give notice in the prescribed manner to any dissenting shareholder that it desires to acquire his shares, and where such a notice is given the transferee company shall, unless an application made by the dissenting shareholder within one month from the date on which the notice was given to the Court gives the Court to order otherwise, be entitled and bound to acquire those shares on the terms on which under the scheme or contract the shares of the approving shareholders are to be transferred to the transferee company:

Provided that, where any such scheme or contract has been so approved at any time before the commencement of the Indian Companies (Amendment) Act, 1936, the Court may, on an application made to it by the transferee company within two months after the commencement of that Act, authorize notice to be given under this section at any time within fourteen days after the making of the order, and this section shall apply accordingly, except that the terms on which the shares of the dissenting shareholder are to be acquired shall be such terms as the Court may by the order direct instead of the terms provided by the scheme or contract.

(2) Where a notice has been given by the transferee company under this section and the Court has not, on an application made by the dissenting shareholder, ordered to the contrary, the transferee company shall, on the expiration of one month from the date on which the notice has been given, or, if an application to the Court has been disposed of, transmit a copy of the notice to the transferee company and pay or transfer to the transferee company the amount or other consideration representing the price payable by the transferee company for the shares which by virtue of this section that company is entitled to acquire, and the transferee company shall thereupon register the transferee company as the holder of those shares.

(3) Any sums received by the transferee company under this section shall be paid into a separate bank account, and any such sums and any other consideration so received shall be held by that company on trust for the several persons entitled to the shares in respect of which the said sums or other consideration were respectively received.

(4) In this section the expression 'dissenting shareholder' includes a shareholder who has not assented to the scheme or contract and any shareholder who has failed or refused to transfer his shares to the transferee company in accordance with the scheme or contract.
154. (1) A private company may, subject to anything contained in its memorandum or articles, by a special resolution and by filing with the registrar a copy of such resolution and also such a statement in lieu of prospectus as the company, if a public company, would have had to file before allotting any of its shares or debentures, together with such a duly verified declaration as the company, if a public company, would have had to file before commencing business, turn itself into a public company.

(2) Upon the filing of the documents mentioned in sub-section (1), the registrar shall record the change in his books relating to the company.

159. (1) The liability of a contributory shall create a debt accruing due from him at the time when his liability commenced, but payable at the times when calls are made for enforcing the liability.

(2) No claim founded on the liability of a contributory shall be cognizable by any Court of Small Causes sitting outside the Presidency-towns.

160. (1) If a contributory dies either before or after he has been placed on the list of contributories, his legal representatives and his heirs shall be contributories accordingly.

(2) If the legal representatives or heirs make default in paying any money ordered to be paid by them, proceedings may be taken for administering the property of the deceased contributory, whether moveable or immovable, or both, and of compelling payment thereout of the money due.

163. A company shall be deemed to be unable to pay its debts—

(i) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees then due, has served on the company by leaving the same at its registered...
154. (1) If a company, being a private company, alters its articles in such manner that they no longer include the provisions which, under the provisions of clause (13) of sub-section (1) of section 62, are required to be included in the articles of a company in order to constitute it a private company, the company shall, as on the date of the alteration, cease to be a private company and shall, within a period of fourteen days after the said date, file with the registrar a prospectus or a statement in lieu of prospectus in the form and containing the particulars set out in the form marked II in the Second Schedule.

(2) If default is made in complying with sub-section (1) of this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding five hundred rupees.

(3) Where the articles of a company include the provisions aforesaid but default is made in complying with any of those provisions, the company shall cease to be entitled to the privileges and exemptions conferred on private companies under the provisions contained in this Act, and thereafter the provisions of this Act shall apply to the company as if it were not a private company:

Provided that the Court, on being satisfied that the failure to comply with the conditions was accidental or due to some other sufficient cause, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any other person interested and on such terms and conditions as seem to the Court just and expedient, order that the company be relieved from such consequences as aforesaid.

159. (1) The liability of a contributory shall create a debt payable at the time specified in the calls made on him by the liquidator.

(2) No claim founded on the liability of a contributory shall be cognizable by any Court of Small Causes sitting outside the Presidency-towns.

160. (1) If a contributory dies either before or after he has been placed on the list of contributories, his legal representatives and heirs shall be liable in a due course of administration to contribute to the assets of the company in discharge of his liability and shall be contributories accordingly.

(2) If the legal representatives or heirs make default in paying any money ordered to be paid by them, proceedings may be taken for administering the property of the deceased contributory, whether movable or immovable, or both, out of compelling payment thereof of the money due.

(3) For the purposes of this section the surviving coparceners of a contributory who is a member of a Hindu joint family governed by the Mitakshara School of Hindu Law shall be deemed to be his legal representatives and heirs.

163. (1) A company shall be deemed to be unable to pay its debts—

(i) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees is unable to pay its debts—

O.C.—VIII
office, a demand under his hand requiring the company to pay
the sum so due and the company has for three weeks thereafter
neglected to pay the sum, or to secure or compound for it to the
reasonable satisfaction of the creditor; or

(ii) if execution or other process issued on a decree or order of any Court
in favour of a creditor of the company is returned unsatisfied in
whole or in part; or

(iii) if it is proved to the satisfaction of the Court that the company is
unable to pay its debts, and, in determining whether a company
is unable to pay its debts, the Court shall take into account the
contingent and prospective liabilities of the company.

166. An application to the Court for the winding up of a company shall be by
petition presented, subject to the provisions of this section, either by the company, or by any creditor or creditors
(including any contingent or prospective creditor or cre-
ditors), contributory or contributories, or by all or any of
those parties, together or separately:

Provided that—
(a) a contributory shall not be entitled to present a petition for winding
up a company unless—
(i) either the number of members is reduced, in the case of a private
company, below two, or, in the case of any other company, below
seven; or

(ii) the shares in respect of which he is a contributory or some of them
were originally allotted to him or have been held by him, and
registered in his name, for at least six months during the
eighteen months before the commencement of the winding up,
or have devolved on him through the death of a former holder;
same to be delivered by registered post or otherwise at its registered office, a demand under his hand requiring the company to pay the sum so due and the company has for three weeks thereafter neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor; or

(ii) if execution or other process issued on a decree or order of any Court in favour of a creditor of the company is returned unsatisfied in whole or in part; or

(iii) if it is proved to the satisfaction of the Court that the company is unable to pay its debts, and, in determining whether a company is unable to pay its debts, the Court shall take into account the contingent and prospective liabilities of the company.

(2) The demand referred to in clause (i) of sub-section (1) shall be deemed to have been duly given under the hand of the creditor if it is signed by an agent or legal adviser duly authorised on his behalf, or in the case of a firm if it is signed by such agent or by a legal adviser or any one member of the firm on behalf of the firm.

166. An application to the Court for the winding up of a company shall be by petition presented, subject to the provisions as to winding up, by—

(a) a contributory shall not be entitled to present a petition for winding up a company—

(i) either the number of members is reduced, in the case of a private company, below two, or, in the case of any other company, below seven; or

(ii) the shares in respect of which he is a contributory or some of them were originally allotted to him or have been held by him, and registered in his name, for at least six months during the eighteen months before the commencement of the winding up, or have devolved on him through the death of a former holder;

(aa) the registrar shall not be entitled to present a petition for winding up a company—

(i) except on the ground that from the financial condition of the company as disclosed in its balance-sheet or from the report of an inspector appointed under section 138 it appears that the company is unable to pay its debts, and

(ii) unless the previous sanction of the Local Government has been obtained to the presentation of the petition:

Provided that no such sanction shall be given unless the company has first been afforded an opportunity of being heard.
When a winding up order has been made, no suit or other legal proceeding shall be proceeded with or commenced against the company except by leave of the Court, and subject to such terms as the Court may impose.

172. (1) On the making of a winding up order, it shall be the duty of the company forthwith to file with the registrar a copy of the order, and the petitioner in the winding up proceedings may so file a copy.
COMPANIES ACT (VII of 1913 AND ACT XXII of 1936)

(b) a petition for winding up a company on the ground of default in filing the statutory report or in holding the statutory meeting shall not be presented by any person except a shareholder, nor before the expiration of fourteen days after the last day on which the meeting ought to have been held;

c) the Court shall not give a hearing to a petition for winding up a company by a contingent or prospective creditor until such security for costs has been given as the Court thinks reasonable and until a prima facie case for winding up has been established to the satisfaction of the Court.

170. (1) On hearing the petition the Court may dismiss it with or without costs, or adjourn the hearing conditionally or unconditionally, or make any interim order or any other order that it deems just, but the Court shall not refuse to make a winding up order on the ground only that the assets of the company have been mortgaged to an amount equal to or in excess of those assets, or that the company has no assets.

(2) Where the petition is presented on the ground of default in filing the statutory report or in holding the statutory meeting, the Court may order the costs to be paid by any persons who, in the opinion of the Court, are responsible for the default.

(3) Where the Court makes an order for the winding up of a company it shall, except where a liquidator is appointed simultaneously, forthwith cause intimation thereof to be sent to the official receiver.

171. Where a winding up order has been made, or a provisional liquidator has been appointed, no suit or other legal proceeding shall be proceeded with or commenced against the company except by leave of the Court and subject to such terms as the Court may impose.

171A. (1) For the purposes of this Act, so far as it relates to the winding up of companies by the Court, the term 'official receiver' means the official receiver attached to the Court, or, if there is no such official receiver, then such person as the local Government may, by notification in the official Gazette, appoint for the purpose.

(2) On the making of a winding up order, the official receiver shall become the official liquidator of the company and shall continue to act as such until his further continuance is terminated by an order of the Court.

(3) The official receiver shall as such official liquidator forthwith take into his custody and control all the books, documents and the assets of the company.

(4) The official receiver shall be entitled to such remuneration as the Court may fix.

172. (1) On the making of a winding up order it shall be the duty of the petitioner in the winding up proceedings and of the company to file with the register a copy of the order within a month from the date of the making of the order.
CXVIII

COMPANIES ACT (VII of 1913) [Old S. 175

(2) On the filing of a copy of a winding up order, the registrar shall make a minute thereof in his books relating to the company, and shall notify in the local official Gazette that such an order has been made.

(3) Such order shall be deemed to be notice of discharge to the servants of the company, except when the business of the company is continued.

175. (1) For the purpose of conducting the proceedings in winding up a company and performing such duties as the Court may impose, the Court may appoint a person or persons, to be called an official liquidator or official liquidators.

(2) The Court may make such an appointment provisionally at any time after the presentation of a petition and before the making of an order for winding up.

(3) If more persons than one are appointed to the office of official liquidator, the Court shall declare whether any act by this Act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons.

(4) The Court may determine whether any, and what, security is to be given by any official liquidator on his appointment.

(5) The acts of an official liquidator shall be valid notwithstanding any defect that may afterwards be discovered in his appointment: Provided that nothing in this sub-section shall be deemed to give validity to acts done by an official liquidator after his appointment has been shown to be invalid.

(6) A receiver shall not be appointed of assets in the hands of an official liquidator.

176. (1) Any official liquidator may resign or be removed by the Court on due cause shown.

(2) Any vacancy in the office of an official liquidator appointed by the Court shall be filled up by the Court.

(3) There shall be paid to the official liquidator such salary or remuneration, by way of percentage or otherwise, as the Court may direct; and, if more liquidators than one are appointed, such remuneration shall be distributed amongst them in such proportions as the Court directs.
On the filing of a copy of a winding up order, the registrar shall make a minute thereof in his books relating to the company, and shall notify in the local official Gazette that such an order has been made.

Such order shall be deemed to be notice of discharge to the servants of the company, except when the business of the company is continued.

Appointments of official liquidators.

The Court may make such an appointment provisionally at any time after the presentation of a petition and before the making of an order for winding up but shall before making any such appointment give notice to the company, unless for reasons to be recorded it thinks fit to dispense with notice.

If more persons than one are appointed to the office of the official liquidator, the Court shall declare whether any act by this Act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons.

The Court may determine whether any, and what, security is to be given by any official liquidator on his appointment.

The acts of an official liquidator shall be valid notwithstanding any defect that may afterwards be discovered in his appointment: Provided that nothing in this subsection shall be deemed to give validity to acts done by an official liquidator after his appointment has been shown to be invalid.

A receiver shall not be appointed of assets in the hands of an official liquidator.

Renunciation of winding up order or appointment.

Any official liquidator may resign or be removed by the Court on due cause shown.

Any vacancy in the office of the official liquidator appointed by the Court shall be filled up by the Court and until the vacancy is so filled up the official receiver shall be and act as the official liquidator.

There shall be paid to the official liquidator such salary or remuneration, by way of percentage or otherwise, as the Court may direct; and, if more liquidators than one are appointed, such remuneration shall be distributed amongst them in such proportions as the Court directs.

Statement of affairs to be made to the liquidators.

Where the Court has made a winding up order or appointed an official liquidator provisionally, there shall, unless the Court thinks fit to order otherwise and so orders, be made out and submitted to the official liquidator a statement as to the affairs of the company verified by an affidavit and containing the following particulars, namely:

(a) the assets of the company, stating separately the cash balance in hand and at the bank, if any;
(b) the debts and liabilities;
(c) the names, residences and occupations of the creditors stating separately the amount of secured debts and unsecured debts, and in the case of secured debts particulars of the securities, their value and the dates when they were given;

(d) the debts due to the company and the names, residences and occupations of the persons from whom they are due and the amount likely to be realised therefrom.

(3) The statement shall be submitted and verified by one or more of the persons who are at the relevant date the directors and by the person who is at that date the secretary, manager or other chief officer of the company, or by such of the persons hereinafter in this subsection mentioned as the official liquidator, subject to the direction of the Court, may require to submit and verify the statement, that is to say, persons—

(a) who are or have been directors or officers of the company;
(b) who have taken part in the formation of the company at any time within one year before the relevant date;
(c) who are in the employment of the company, or have been in the employment of the company within the said year, and are in the opinion of the official liquidator capable of giving the information required;
(d) who are or have been within the said year officers of or in the employment of a company, which is, or within the said year was, an officer of the company to which the statement relates.

(3) The statement shall be submitted within twenty-one days from the relevant date, or within such extended time as the official liquidator or the Court may for special reasons appoint.

(4) Any person making or concurring in making the statement and affidavit required by this section shall be allowed, and shall be paid by the official liquidator or provisional liquidator, as the case may be, out of the assets of the company, such costs and expenses incurred in and about the preparation and making of the statement and affidavit as the official liquidator may consider reasonable, subject to an appeal to the Court.

(5) If any person, without reasonable excuse, knowingly and wilfully makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding one hundred rupees for every day during which the default continues.

(6) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled by himself or by his agent at all reasonable times, on payment of the prescribed fee, to inspect the statement submitted in pursuance of this section, and to a copy thereof or extract therefrom.

(7) Any person untruthfully so stating himself to be a creditor or contributory shall be guilty of an offence under section 182 of the Indian Penal Code and shall, on the application of the liquidator or of the official receiver, be punishable accordingly.

(8) In this section the expression “the relevant date” means, in a case where a provisional liquidator is appointed, the date of his appointment, and, in a case where no such appointment is made, the date of the winding up order.
178. (1) The official liquidator shall take into his custody, or under his custody, all the property, effects and actionable claims to which the company is or appears to be entitled.

(2) If no official liquidator is appointed, or during any vacancy in such appointment, all the property of the company shall be deemed to be in the custody of the Court.
New S. 177B] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) XXVIII

177B. (1) In a case where a winding up order is made, the official liquidator shall, as soon as practicable after receipt of a statement to be submitted under section 177A, and not later than four, or with the leave of the Court, six months from the date of the order, or in a case where the Court orders that no statement shall be submitted, as soon as practicable after the date of the order, submit a preliminary report to the Court—

(a) as to the amount of capital issued, subscribed, and paid up, and the estimated amount of assets and liabilities, giving separately under the heading of assets particulars of—

(i) cash and negotiable securities;

(ii) debts due from contributories;

(iii) debts due to and securities, if any, available to the company;

(iv) moveable and immovable properties belonging to the company;

(v) unpaid calls; and

(b) if the company has failed, as to the causes of the failure; and

(c) whether in his opinion further inquiry is desirable as to any matter relating to the promotion, formation, or failure of the company, or the conduct of the business thereof.

(2) The official liquidator may also, if he thinks fit, make a further report, or further reports, stating the manner in which the company was formed and whether in his opinion any fraud has been committed by any person in its promotion or formation, or by any director or other officer of the company in relation to the company since the formation thereof, and any other matters which in his opinion it is desirable to bring to the notice of the Court.

178. (1) The official liquidator whether appointed provisionally or not shall take into his custody, or under his control, all the company's property. Property, effects and actionable claims to which the company is or appears to be entitled.

(2) All the property and effects of the company shall be deemed to be in the custody of the Court as from the date of the order for the winding up of the company.

178A. (1) The official liquidator shall within a month from the date of the order for the winding up of a company convene a meeting of the creditors of the company (as ascertained from the books and documents of the company) for the purpose of determining whether or not a committee of inspection shall be appointed to act with the liquidator, and who are to be members of the committee, if appointed.

(2) The official liquidator shall within a week from the date of the creditors' meeting convene a meeting of the contributories to consider the decision of the creditors and to accept the same with or without modifications.

(3) If the contributories do not accept the decision of the creditors in its entirety, it shall be the duty of the official liquidator to apply to the Court for directions as to whether there shall be a committee of inspection and, if so, what shall be the composition of the committee, and who shall be members thereof.
182. The official liquidator of a company which is being wound up by the Court shall keep, in manner prescribed, proper books in which he shall cause to be made entries or minutes of proceedings at meetings, and of such other matters as may be prescribed, and any creditor or contributory may, subject to the control of the Court, personally or by his agent inspect any such books.
A committee of inspection appointed under this section shall consist of not more than twelve members being creditors and contributories of the company or persons holding general or special powers of attorney from creditors or contributories in such proportions as may be agreed on by the meetings of creditors and contributories, or at, in case of difference, may be determined by the Court.

The committee of inspection shall have the right to inspect the accounts of the official liquidator at all reasonable times.

The committee shall meet at such times as they may from time to time appoint, and, failing such appointment, at least once a month, and the liquidator or any member of the committee may also call a meeting of the committee as and when he thinks necessary.

The committee may act by a majority of their members present at a meeting, but shall not act unless a majority of the committee are present.

A member of the committee may resign by notice in writing signed by him and delivered to the liquidator.

If a member of the committee becomes bankrupt, or compounds or arranges with his creditors or is absent from five consecutive meetings of the committee without the leave of those members who together with himself represent the creditors or contributories, as the case may be, his office shall thereupon become vacant.

A member of the committee may be removed by an ordinary resolution at a meeting of creditors if he represents creditors, or of contributories, if he represents contributories, if seven days' notice has been given, stating the object of the meeting.

On a vacancy occurring in the committee the liquidator shall forthwith summon a meeting of creditors or of contributories, as the case may require, to fill the vacancy, and the meeting may, by resolution, re-appoint the same or appoint another creditor or contributory to fill the vacancy.

The continuing members of the committee, if not less than two, may act notwithstanding any vacancy in the committee.

The official liquidator of a company which is being wound up shall keep, in manner prescribed, proper official books to be kept by liquidator in winding up, in which he shall cause to be made entries or minutes of proceedings at meetings, and of such other matters as may be prescribed, and any creditor or contributory may, subject to the control of the Court, personally or by his agent inspect any such books.

Every official liquidator shall, at such times as may be prescribed, but not less than twice in each year during his tenure of office, present to the Court an account of his receipts and payments as such liquidator.

The account shall be in the prescribed form, shall be made in duplicate, and shall be verified by a declaration in the prescribed form.

The Court shall cause the account to be audited in such manner as it thinks fit and for the purpose of the audit the liquidator shall furnish the Court with such vouchers and information as the Court may require, and the Court may at any time require the production of and inspect any books or accounts kept by the liquidator.
183. (1) Subject to the provisions of this Act, the official liquidator of a company which is being wound up by the Court shall, in the administration of the assets of the company and in the distribution thereof among its creditors, have regard to any directions that may be given by resolution of the creditors or contributories at any general meeting.

(2) The official liquidator may summon general meeting of the creditors or contributories for the purpose of ascertaining their wishes, and it shall be his duty to summon meetings at such times as the creditors or contributories, by resolution, may direct, or whenever requested in writing to do so by one-tenth in value of the creditors or contributories, as the case may be.

(3) The official liquidator may apply to the Court in manner prescribed for directions in relation to any particular matter arising in the winding up.

(4) Subject to the provisions of this Act, the official liquidator shall use his own discretion in the administration of the assets of the company and in the distribution thereof among the creditors.

(5) If any person is aggrieved by any act or decision of the official liquidator, that person may apply to the Court, and the Court may confirm, reverse or modify the act or decision complained of, and make such order as it thinks just in the circumstances.

188. The Court may order any contributory, purchaser or other person from whom money is due to the company to pay the same into the Bank of Bengal, the Bank of Madras, or the Bank of Bombay, as the case may be, or any branch thereof, respectively, to the account of the official liquidator instead of to the official liquidator, and any such order may be enforced in the same manner as if it had directed payment to the official liquidator.

189. All moneys, bills, bundles, notes and other securities paid and delivered into the Bank of Bengal, the Bank of Madras, or the Bank of Bombay, or any branch thereof, respectively, in the event of a company being wound up by the Court, shall be subject in all respects to the orders of the Court.

263. A company may be wound up voluntarily—

(1) when the period (if any) fixed for the duration of the company by the articles expires, or the event (if any) occurs, on the occurrence of which the articles provide that the company is to be dissolved, and the company in general meeting has passed a resolution requiring the company to be wound up voluntarily;

(2) if the company resolves by special resolution that the company be wound up voluntarily;
(5) When the account has been audited, one copy thereof shall be filed and kept by the Court, and the other copy shall be delivered to the registrar for filing, and such copy shall be open to the inspection of any creditor, or of any person interested.

183. (1) Subject to the provisions of this Act, the official liquidator of a company which is being wound up by the Court shall, in the administration of the assets of the company and in the distribution thereof among its creditors, have regard to any directions that may be given by resolution of the creditors or contributories at any general meeting or by the committee of inspection, and any directions given by the creditors or contributories at any general meeting shall in case of conflict be deemed to override any directions given by the committee of inspection.

(2) The official liquidator may summon general meetings of the creditors or contributories for the purpose of ascertaining their wishes, and it shall be his duty to summon meetings at such times as the creditors or contributories, by resolution, may direct, or whenever requested in writing to do so by one-tenth in value of the creditors or contributories, as the case may be.

(3) The official liquidator may apply to the Court in manner prescribed for directions in relation to any particular matter arising in the winding up.

(4) Subject to the provisions of this Act, the official liquidator shall exercise and control his own discretion in the administration of the assets of the company and in the distribution thereof among the creditors.

(5) If any person is aggrieved by any act or decision of the official liquidator, that person may apply to the Court, and the Court may confirm, reverse or modify the act or decision complained of, and make such order as it thinks just in the circumstances.

188. The Court may order any contributory, purchaser or other person from whom money is due to the company to pay the same into bank account of the official liquidator in any scheduled bank as defined in clause (e) of section 2 of the Reserve Bank of India Act, 1934 instead of to the official liquidator, and any such order may be enforced in the same manner as if it had directed payment to the official liquidator.

189. All moneys, bills, hundis, notes and other securities paid and delivered into the bank where the liquidator of the company may have his account in the event of a company being wound up by the Court, shall be subject in all respects to the orders of the Court.

203. A company may be wound up voluntarily—

(1) when the period (if any) fixed for the duration of the company by the articles expire, or the event (if any) occurs, on the occurrence of which the articles provide that the company is to be dissolved and the company in general meeting has passed a resolution requiring the company to be wound up voluntarily;

(2) if the company resolves by special resolution that the company be wound up voluntarily;
204. A voluntary winding up shall be deemed to commence at the time of the passing of the resolution authorising the winding up.

Consequences of voluntary winding up

205. The following consequences shall ensue on the voluntary winding up of a company:

(i) the assets of the company shall be applied in satisfaction of its liabilities pari passu and, subject thereto, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the company;

(ii) the company in general meeting shall appoint one or more liquidators for the purpose of winding up the affairs and distributing the assets of the company, and may fix the remuneration to be paid to him or them;

(iii) on the appointment of a liquidator all the powers of the directors shall cease, except so far as the company in general meeting, or the liquidator, sanctions the continuance thereof;

(iv) the liquidator may, without the sanction of the Court, exercise all powers by this Act given to the official liquidator in a winding up by the Court;

(v) the liquidator may exercise the powers of the Court under this Act of settling a list of contributories, and of making calls, and shall pay the debts of the company, and adjust the rights of the contributories among themselves;

(vi) the list of contributories shall be prima facie evidence of the liability of the persons named therein to be contributories;

(vii) when several liquidators are appointed, every power hereby given may be exercised by such one or more of them as may be determined by the company at the time of their appointment, or in default of such determination by any number not less than two;

(viii) if from any cause whatever there is no liquidator acting, the Court may, on the application of a contributory, appoint a liquidator; and

(ix) the Court may, on cause shown, remove a liquidator, and appoint another liquidator.

Notice by liquidator of his appointment

206. (1) The liquidator in a voluntary winding up shall, within twenty-one days after his appointment, file with the registrar a notice of his appointment, in the form prescribed.

(2) If the liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.
New S. 204] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) CCLX

(3) If the company resolves by extraordinary resolution to the effect that it cannot by reason of its liabilities continue its business, and that it is advisable to wind up; and the expression 'resolution for voluntarily winding up' when used hereafter in this Part means a resolution passed under clause (1), clause (2) or clause (3) of this section.

Commencement of voluntary winding up shall be deemed to commence at the time of the passing of the resolution for voluntarily winding up.

*207. (1) Where it is proposed to wind up a company voluntarily, the directors of the company or, in the case of a company having more than two directors, the majority of the directors may, at a meeting of the directors held before the date on which the notices of the meeting at which the resolution for the winding up of the company is to be proposed are sent out, make a declaration verified by an affidavit to the effect that they have made a full inquiry into the affairs of the company, and that, having so done, they have formed the opinion that the company will be able to pay its debts in full within a period, not extending three years, from the commencement of the winding up.

(2) Such declaration shall be supported by a report of the company's auditors on the company's affairs and shall have no effect for the purposes of this Act unless it is delivered to the registrar for registration before the date mentioned in sub-section (1) of this section.

(3) A winding up in the case of which a declaration has been made and delivered in accordance with this section is in this Act referred to as a 'members' voluntary winding up', and a winding up in the case of which a declaration has not been made and delivered as aforesaid is in this Act referred to as 'a creditors' voluntary winding up'.

Members' voluntary winding up.

Provisions applicable in a member's voluntary winding up.

208. The provisions contained in sections 208A to 208E, both inclusive, shall apply in relation to a members' voluntary winding up.

208A. (1) The company in general meeting shall appoint one or more liquidators for the purpose of winding up the affairs and distributing the assets of the company, and may fix the remuneration to be paid to him or them.

(2) On the appointment of a liquidator all the powers of the directors shall cease, except so far as the company in general meeting, or the liquidator, sanctions the continuance thereof.

208B. (1) If a vacancy occurs by death, resignation or otherwise in the office of liquidator appointed by the company, the company in general meeting may, subject to any arrangement with its creditors, fill the vacancy.

* Sr. 207 to 218 and the headings were substituted for the original ss. 207 to 219, both inclusive, which are printed together on opposite pages.
209. (1) Every liquidator appointed by a company in a voluntary winding up shall, within seven days from his appointment, send notice by post to all persons who appear to him to be creditors of the company that a meeting of the creditors of the company will be held on a date, not being less than twenty-one days nor more than one month after his appointment, and at a place and hour, to be specified in the notice, and shall also advertise notice of the meeting once in the local official Gazette and once at least in some newspaper (if any) circulating in the district where the registered office or principal place of business of the company was situate.

(2) At the meeting to be held in pursuance of the foregoing provisions of this section the creditors shall determine whether an application shall be made to the Court for the appointment of any person as liquidator in the place of, or jointly with, the liquidator appointed by the company, and, if the creditors so resolve, an application may be made accordingly to the Court at any time not later than fourteen days after the date of the meeting, by any creditor appointed for the purpose at the meeting:

Provided that the Court may, by order at any time, extend the time for making an application under this sub-section for such period as the Court thinks proper.

(3) On any such application the Court may make an order either for the removal of the liquidator appointed by the company and for the appointment of some other person as liquidator or for the appointment of some other person to act as liquidator jointly with the liquidator appointed by the company, or such other order as, having regard to the interests of the creditors and contributories of the company, may seem just.

(4) The Court shall make such order as to the costs of the application as it may think fit, and, if it is of opinion that, having regard to the interests of the creditors in the liquidation, there were reasonable grounds for the application, may order the costs of the application to be paid out of the assets of the company, notwithstanding that the application is dismissed or otherwise disposed of adversely to the applicant.

210. (1) If a vacancy occurs by death, resignation or otherwise in the office of liquidator appointed by the company in a voluntary winding up, the company in general meeting, subject to any arrangement with its creditors, fill the vacancy.

(2) For that purpose a general meeting may be called by any contributory or, if there were more liquidators than one, by the continuing liquidators.

(3) The meeting shall be held in manner prescribed by the articles, or in such manner as may, on application by any contributory or by the continuing liquidators, be determined by the Court.

211. (1) A company about to be, or in course of being, wound up voluntarily may, by extraordinary resolution, delegate to its creditors, or to any committee of them, the power of appointing liquidators or any of them, and of supplying vacancies among the liquidators, or enter into any arrangement respecting the powers to be exercised by the liquidators, and the manner in which they are to be exercised.

(2) Any act done by creditors in pursuance of any such delegated power shall have the same effect as if it had been done by the company.
(2) For that purpose a general meeting may be convened by any contributory or, if there were more liquidators than one, by the continuing liquidators.

(3) The meeting shall be held in manner provided by this Act or by the articles, or in such manner as may, on application by any contributory or by the continuing liquidators, be determined by the Court.

208C. (1) Where a company is proposed to be, or is in course of being, wound up altogether voluntarily, and the whole or part of its business or property is proposed to be transferred or sold to another company, whether a company within the meaning of this Act or not (in this section called 'the transferee company'), the liquidator of the first-mentioned company (in this section called 'the transferor company') may, with the sanction of a special resolution of that company conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, receive, in compensation or part compensation for the transfer or sale, shares, policies, or other like interests in the transferee company, for distribution among the members of the transferor company, or may enter into any other arrangement whereby the members of the transferor company may, in lieu of receiving cash, shares, policies, or other like interests or in addition thereto, participate in the profits of or receive any other benefit from the transferee company.

(2) Any sale or arrangement in pursuance of this section shall be binding on the members of the transferor company.

(3) If any member of the transferor company who did not vote in favour of the special resolution expresses his dissent therefrom in writing addressed to the liquidator and left at the registered office of the company within seven days after the passing of the special resolution, he may require the liquidator either to abstain from carrying the resolution into effect or to purchase his interest at a price to be determined by agreement or by arbitration in manner hereafter provided.

(4) If the liquidator elects to purchase the member's interest, the purchase money must be paid before the company is dissolved, and be raised by the liquidator in such manner as may be determined by special resolution.

(5) A special resolution shall not be invalid for the purposes of this section by reason that it is passed before or concurrently with a resolution for voluntary winding up or for appointing liquidators, but if an order is made within a year for winding up the company by or subject to the supervision of the Court, the special resolution shall not be valid unless sanctioned by the Court.

(6) The provisions of the Indian Arbitration Act, 1899, other than those restricting the application of the Act in respect of the subject-matter of the arbitration, shall apply to all arbitrations in pursuance of this section.

208D. (1) In the event of the winding up continuing for more than one year, the liquidator shall summon a general meeting of the company at the end of the first year from the commencement of the winding up end of each succeeding year, or as soon thereafter as may be convenient within ninety days of the close of the year, and shall lay before the meeting an account of his acts and dealings and of
212. (1) Any arrangement entered into between a company about to be, or in the course of being, wound up voluntarily and its creditors shall, subject to any right of appeal under this section, be binding on the company if sanctioned by an extraordinary resolution, and on the creditors if acceded to by three-fourths in number and value of the creditors.

(2) Any creditor or contributory may, within three weeks from the completion of the arrangement, appeal to the Court against it, and the Court may thereupon, as it thinks just, amend, vary or confirm the arrangement.

213. (1) Where a company is proposed to be, or is in course of being, wound up altogether voluntarily, and the whole or part of its business or property is proposed to be transferred or sold to another company (in this section called the transferee company) the liquidator of the first mentioned company (in this section called the transferor company) may, with the sanction of a special resolution of that company conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, receive, in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the transferee company, for distribution among the members of the transferor company, or may enter into any other arrangement whereby by the members of the transferor company may, in lieu of receiving cash, shares, policies or other like interest, or in addition thereto, participate in the profits or receive any other benefit from, the transferee company.

(2) Any sale or arrangement in pursuance of this section shall be binding on the members of the transferor company.

(3) If any member of the transferor company who did not vote in favour of the special resolution at either of the meetings held for passing and confirming the same expresses his dissent therefrom in writing addressed to the liquidator, and left at the registered office of the company within seven days after the confirmation of the special resolution, he may require the liquidator either to abstain from carrying the resolution into effect, or to purchase his interest at a price to be determined by agreement or by arbitration in manner hereinafter provided.

(4) If the liquidator elects to purchase the member’s interest, the purchase money must be paid before the company is dissolved, and be raised by the liquidator in such manner as may be determined by special resolution.

(5) A special resolution shall not be invalid for the purposes of this section by reason that it is passed before or concurrently with a resolution for winding up the company, or for appointing liquidators; but if an order is made within a year for winding up the company by or subject to the supervision of the Court, the special resolution shall not be valid unless sanctioned by the Court.

214. (1) The price to be paid for the purchase of the interest of any dissentient member may be determined by agreement. If the parties dispute about the same, such dispute shall be settled by arbitration.

(2) The provisions of the Indian Arbitration Act, 1899, other than those restricting the application of the Act in respect of the subject-matter of the arbitration, shall apply to all arbitrations in pursuance of this section.

215. (1) Where a company is being wound up voluntarily the liquidator or any contributory or creditor may apply to the Court to determine any question arising in the winding up, or to exercise as respects the enforcing of calls, or any other
the conduct of the winding up during the preceding year and a statement in the prescribed form containing the prescribed particulars with respect to the position of the liquidation.

(2) If the liquidator fails to comply with this section, he shall be liable to a fine not exceeding one hundred rupees.

208E. (1) As soon as the affairs of the company are fully wound up, the liquidator shall make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon shall call a general meeting of the company for the purpose of laying before it the account, and giving any explanation thereof.

(2) The meeting shall be called by advertisement specifying the time, place and object thereof, and published one month at least before the meeting in the manner specified in sub-section (1) of section 206 for publication of a notice under that sub-section.

(3) Within one week after the meeting, the liquidator shall send to the registrar a copy of the account, and shall make a return to him of the holding of the meeting and of its date, and if the copy is not sent or the return is not made in accordance with this sub-section the liquidator shall be liable to a fine not exceeding fifty rupees for every day during which the default continues:

Provided that, if a quorum is not present at the meeting, the liquidator shall, in lieu of the said return, make a return that the meeting was duly summoned and that no quorum was present thereat, and upon such a return being made the provisions of this sub-section as to the making of the return shall be deemed to have been complied with.

(4) The registrar on receiving the account and either of the returns mentioned in sub-section (3) shall forthwith register them, and on the expiration of three months from the registration of the return the company shall be deemed to be dissolved:

Provided that the Court may, on the application of the liquidator or of any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the Court thinks fit.

(5) It shall be the duty of the person on whose application an order of the Court under this section is made, within twenty-one days after the making of the order, to deliver to the registrar a certified copy of the order for registration, and if that person fails so to do he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

Creditors' voluntary winding up.

209A. (1) The company shall cause a meeting of the creditors of the company to be summoned for the day, or the day next following the day, on which there is to be held the meeting at which the resolution for voluntary winding up is to
(2) The Court, if satisfied that the determination of the question or the required exercise of power will be just and beneficial, may accede wholly or partially to the application on such terms and conditions as the Court thinks fit, or make such other order on the application as the Court thinks just.

216. (1) Where a company is being wound up voluntarily, the liquidator may, from time to time, summon general meetings of the company for the purpose of obtaining the sanction of the company by special or extraordinary resolution, or for any other purposes he may think fit.

(2) In the event of the winding up continuing for more than one year, the liquidator shall summon a general meeting of the company at the end of the first year from the commencement of the winding up, and of each succeeding year, or as soon thereafter as may be convenient, and shall lay before the meeting a statement in the prescribed form containing the prescribed particulars with respect to the proceedings in and the position of the liquidation.

217. (1) In the case of every voluntary winding up, as soon as the affairs of the company are fully wound up, the liquidator shall make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon shall call a general meeting of the company for the purpose of laying before it the account, and giving any explanation thereof.

(2) The meeting shall be called by advertisement, specifying the time, place and object thereof, and published one month at least before the meeting in the manner specified in section 206.

(3) Within one week after the meeting, the liquidator shall file with the registrar a return of the holding of the meeting, and of its date, and in default of so doing, shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

(4) The registrar on the filing of the return shall forthwith register it, and, on the expiration of three months from the registration of the return, the company shall be deemed to be dissolved:

Provided that the Court may, on the application of the liquidator or of any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the Court thinks fit.

(5) It shall be the duty of the person on whose application an order of the Court under sub-section (4) is made, within twenty-one days after the making of the order, to file with the registrar a certified copy of the order, and if that person fails so to do, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

218. All costs, charges and expenses properly incurred in the voluntary winding up of a company, including the remuneration of the liquidator, shall be payable out of the assets of the company in priority to all other claims at the date of the winding up.
be proposed, and shall cause the notices of the said meeting of creditors to be sent by post to the creditors simultaneously with the sending of the notices of the said meeting of the company.

(2) The company shall cause notice of the meeting of the creditors to be advertised in the manner specified in sub-section (1) of section 206 for the publication of a notice under that sub-section.

(3) The directors of the company shall—
   (a) cause a full statement of the position of the company's affairs together with a list of the creditors of the company and the estimated amount of their claims to be laid before the meeting of creditors to be held as aforesaid; and
   (b) appoint one of their number to preside at the said meeting.

(4) It shall be the duty of the director appointed to preside at the meeting of creditors to attend the meeting and preside thereat.

(5) If the meeting of the creditors at which the resolution for voluntary winding up is to be proposed is adjourned and the resolution is passed at an adjourned meeting, any resolution passed at the meeting of the creditors, held in pursuance of sub-section (1) of this section, shall have effect as if it had been passed immediately after the passing of the resolution for winding up the company.

(6) If default is made—
   (a) by the company in complying with sub-sections (1) and (2),
   (b) by the directors of the company in complying with sub-section (3),
   (c) by any director of the company in complying with sub-section (4),
the company, directors or director, as the case may be, shall be liable to a fine not exceeding one thousand rupees and, in the case of default by the company, every officer of the company who is in default shall be liable to the like penalty.

209B. The creditors and the company at their respective meetings mentioned in section 209A may nominate a person to be liquidator for the purpose of winding up the affairs and distributing the assets of the company, and if the creditors and the company nominate different persons, the person nominated by the creditors shall be liquidator, and if no person is nominated by the creditors, the person, if any, nominated by the company shall be liquidator.

Provided that in the case of different persons being nominated, any director, member or creditor of the company may, within seven days after the date on which the nomination was made by the creditors, apply to the Court for an order either directing that the person nominated as liquidator by the company shall be liquidator instead of or jointly with the person nominated by the creditors, or appointing some other person to be liquidator instead of the person appointed by the creditors.

209C. The creditors at the meeting to be held in pursuance of section 209A or at any subsequent meeting may, if they think fit, appoint a committee of inspection consisting of not more than five persons, and if such a committee is appointed the company may, either at the meeting at which the
219. The voluntary winding up of a company shall not bar the right of any creditor or contributory to have it wound up by the Court, if the Court is of opinion, in the case of an application by a creditor, that the rights of the creditor, or, in the case of an application by a contributory, that the rights of the contributories will be prejudiced by a voluntary winding up.
New S. 209D] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) CXXVII

resolution for voluntary winding up is passed or at any time subsequently in
a general meeting, appoint such number of persons as they think fit to act as
members of the committee not exceeding five in number:

Provided that the creditors may, if they think fit, resolve that all or any
of the persons so appointed by the company might not to be members of the
committee of inspection, and, if the creditors so resolve, the persons mention-
ated in the resolution shall not, unless the Court otherwise directs, be qualified
to act as members of the committee, and on any application to the Court
under this provision the Court may, if it thinks fit, appoint other persons to
act as such members in place of the persons mentioned in the resolution.

209D. (1) The committee of inspection, or if there
is no such committee, the creditors, may fix the remunera-
tion to be paid to the liquidator or liquidators, and where
the remuneration is not so fixed, it shall be determined
by the Court.

(2) On the appointment of a liquidator, all the powers of the direc-
tors shall cease, except so far as the committee of inspection, or if there is
no such committee, the creditors, sanction the continuance thereof.

209E. If a vacancy occurs, by death, resignation or
otherwise, in the office of a liquidator, other than a liqui-
dator appointed by, or by the direction of, the Court,
the creditors may fill the vacancy.

209F. The provisions of section 208C shall apply in the case of a
creditors’ voluntary winding up as in the case of a mem-
bers’ voluntary winding up with the modification that
the powers of the liquidator under the said section shall
not be exercised except with the sanction either of the
Court or of the committee of inspection.

209G. (1) In the event of the winding up continuing for more than
one year, the liquidator shall summon a general meeting
of the company and a meeting of creditors at the end of
the first year from the commencement of the winding up,
and of each succeeding year or as soon thereafter as may
be convenient, and shall lay before the meetings an
account of his acts and dealings and of the conduct of
the winding up during the preceding year and a state-
ment in the prescribed form containing the prescribed parti-
culars with respect to the position of the winding up.

(2) If the liquidator fails to comply with this section, he shall be
liable to a fine not exceeding one hundred rupees.

209H. (1) As soon as the affairs of the company are fully wound up,
the liquidator shall make up an account of the winding
up showing how the winding up has been conducted and
the property of the company has been disposed of, and
thereupon shall call a general meeting of the company and a meeting of the
creditors for the purpose of laying the account before the meetings and giving
any explanation thereof.
(3) Each such meeting shall be called by advertisement specifying the time, place and object thereof and published one month at least before the meeting in the manner specified in sub-section (1) of section 20V for the publication of a notice under that sub-section.

(3) Within one week after the date of the meetings, or, if the meetings are not held on the same date, after the date of the later meeting, the liquidator shall send to the registrar a copy of the account, and shall make a return to him of the holding of the meetings and of their dates, and if the copy is not sent or the return is not made in accordance with this sub-section the liquidator shall be liable to a fine not exceeding fifty rupees for every day during which the default continues:

Provided that, if a quorum (which for the purposes of this section shall be two persons) is not present at either such meeting, the liquidator shall, in lieu of such return, make a return that the meeting was duly summoned and that no quorum was present thereat, and upon such a return being made the provisions of this sub-section as to the making of the return shall, in respect of that meeting, be deemed to have been complied with.

(4) The registrar on receiving the account and in respect of each such meeting either of the returns mentioned in sub-section (3) shall forthwith register them; and on the expiration of three months from the registration thereof the company shall be deemed to be dissolved:

Provided that the Court may, on the application of the liquidator or of any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the Court thinks fit.

(5) It shall be the duty of the person on whose application an order of the Court under this section is made, within ten days after the making of the order, to deliver to the registrar a certified copy of the order for registration, and if that person fails to do so he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

Members' or creditors' voluntary winding up.

Provisions applicable to every voluntary winding up.

210. The provisions contained in sections 211 to 218, both inclusive, shall apply to every voluntary winding up whether a members' or a creditors' winding up.

211. Subject to the provisions of this Act as to preferential payments, the property of a company shall, on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the company.

Powers and duties of liquidator in voluntary winding up.

212. (1) The liquidator may—

(a) in the case of a members' voluntary winding up, with the sanction of an extraordinary resolution of the company, and in the case of a creditors' voluntary winding up, with the sanction of either the Court or the committee of inspection,
COMPANIES (ACT VII of 1913)
New S. 213] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936)

exercise any of the powers given by clauses (d), (e), (f), and (h) of section 179 to a liquidator in a winding up. The exercise by the liquidator of the powers given by this clause shall be subject to the control of the Court and any creditor or contributory may apply to the Court with respect to any exercise or proposed exercise of any of these powers;

(b) without the sanction referred to in clause (a), exercise any of the powers by this Act given to the liquidator in a winding up by the Court;

(c) exercise the power of the Court under this Act of settling a list of contributories, and the list of contributories shall be prima facie evidence of the liability of the persons named therein to be contributories;

(d) exercise the power of the Court of making calls;

(e) summon general meetings of the company for the purpose of obtaining the sanction of the company by special or extraordinary resolution or for any other purpose he may think fit.

(2) The liquidator shall pay the debts of the company and shall adjust the rights of the contributories among themselves.

(3) When several liquidators are appointed, any power given by this Act may be exercised by such one or more of them as may be determined at the time of their appointment, or, in default of such determination, by any number not less than two.

Power of Court to appoint and remove liquidator in voluntary winding up.

213. (1) If from any cause whatever there is no liquidator acting, the Court may appoint a liquidator.

(2) The Court may, on cause shown, remove a liquidator and appoint another liquidator.

Notice by liquidator of his appointment.

214. (1) The liquidator shall, within twenty-one days after his appointment, deliver to the registrar for registration a notice of his appointment in the form prescribed.

(2) If the liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

215. (1) Any arrangement entered into between a company about to be, or in the course of being, wound up and its creditors shall, subject to the right of appeal under this section, be binding on the company if sanctioned by an extraordinary resolution, and on the creditors if acceded to by three-fourths in number and value of the creditors.

(2) Any creditor or contributory may, within three weeks from the completion of the arrangement, appeal to the Court against it, and the Court may thereupon, as it thinks just, amend, vary or confirm the arrangement.
In a winding up there shall be paid in priority to all other debts—

(a) all revenue, taxes, cesses and rates, whether payable to the Crown or to a local authority, due from the company at the date hereinafter mentioned and having become due and payable within the twelve months next before that date;

(b) all wages or salary of any clerk or servant in respect of service rendered to the company within the two months next before the said date, not exceeding one thousand rupees for each clerk or servant; and
216. (1) The liquidator or any contributory or creditor may apply to the Court to determine any question arising in the winding up of a company, or to exercise, as respects the enforcing of calls, staying of proceedings or any other matter, all or any of the powers which the Court might exercise if the company were being wound up by the Court.

(2) The liquidator or any creditor or contributory may apply for an order setting aside any attachment, distress or execution put into force against the estate or effects of the company after the commencement of the winding up.

Such application shall be made—

(a) if the attachment, distress or execution is levied or put into force by a High Court, to such High Court, and

(b) if the attachment, distress or execution is levied or put into force in any other Court, to the Court having jurisdiction to wind up the company.

(3) The Court, if satisfied that the determination of the question or the required exercise of power or the order applied for will be just and beneficial, may accede wholly or partially to the application on such terms and conditions as it thinks fit, or may make such other order on the application as it thinks just.

217. All costs, charges and expenses properly incurred in the winding up, including the remuneration of the liquidator, shall subject to the rights of secured creditors, if any, be payable out of the assets of the company in priority to all other claims.

218. The winding up of a company shall not bar the right of any creditor or contributory to have it wound up by the Court, but in the case of an application by a contributory, the Court must be satisfied that the rights of the contributories will be prejudiced by a voluntary winding up.


220. (1) In a winding up there shall be paid in priority to all other debts—

(a) all revenue, taxes, cesses and rates, whether payable to the Crown or to a local authority, due from the company at the date hereinafter mentioned and having become due and payable within the twelve months next before that date;

(b) all wages or salary of any clerk or servant in respect of service rendered to the company within the two months next before the said date, not exceeding one thousand rupees for each clerk or servant;

* The present ss. 217 to 218 were substituted for the original ss. 207 to 219, both included, by Act XXII of 1936.
(2) The foregoing debts shall—

(a) rank equally among themselves and be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportion; and

(b) so far as the assets of the company available for payment of general creditors are insufficient to meet them, have priority over the claims of holders of debentures under any floating charge created by the company, and be paid accordingly out of any property comprised in or subject to that charge.

(3) Subject to the retention of such sums as may be necessary for the costs and expenses of the winding up, the foregoing debts shall be discharged forthwith so far as the assets are sufficient to meet them.

(4) In the event of a landlord or other person distraining or having distrained on any goods or effects of the company within three months next before the date of a winding up order, the debts to which priority is given by this section shall be a first charge on the goods or effects so distrained on, or the proceeds of the sale thereof:

Provided that in respect of any money paid under any such charge, the landlord or other person shall have the same rights of priority as the person to whom the payment is made.

(5) The date hereinafter in this section referred to is—

(a) in the case of a company ordered to be wound up compulsorily which had not previously commenced to be wound up voluntarily, the date of the winding up order; and

(b) in any other case, the date of the commencement of the winding up.

(c) all wages of any labourer or workman, not exceeding five hundred rupees for each, whether payable for time or piecework, in respect of services rendered to the company within the two months next before the said date.
(c) all wages of any labourer or workman, not exceeding five hundred rupees for each, whether payable for time or piecework, in respect of services rendered to the company within the two months next before the said date;

(d) compensation payable under the Workmen's Compensation Act, 1923, in respect of the death or disablement of any officer or employee of the company;

(e) all sums due to any employee from a provident fund, a pension fund, a gratuity fund or any other fund for the welfare of the employees maintained by the company; and

(f) the expenses of any investigation held in pursuance of clause (iv) of section 123 of this Act.

(2) The foregoing debts shall—

(a) rank equally among themselves and be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportion; and

(b) so far as the assets of the company available for payment of general creditors are insufficient to meet them, have priority over the claims of holders of debentures under any floating charge created by the company, and be paid accordingly out of any property comprised in or subject to that charge.

(3) Subject to the retention of such sums as may be necessary for the costs and expenses of the winding up, the foregoing debts shall be discharged forthwith so far as the assets are sufficient to meet them.

(4) In the event of a landlord or other person distraining or having distrained on any goods or effects of the company within three months next before the date of a winding up order, the debts to which priority is given by this section shall be a first charge on the goods or effects so distrained on, or the proceeds of the sale thereof:

Provided that in respect of any money paid under any such charge, the landlord or other person shall have the same rights of priority as the person to whom the payment is made.

(5) The date hereinbefore in this section referred to is—

(a) in the case of a company ordered to be wound up compulsorily which had not previously commenced to be wound up voluntarily, the date of the winding up order; and

(b) in any other case, the date of the commencement of the winding up.

236A. (1) Where any part of the property of a company which is being wound up consists of land of any tenure burdened with onerous covenants, or shares or stock in companies, of unprofitable contracts or of any other property that is unsaleable, or not readily saleable, by reason of its binding the possessor thereof to the performance of any onerous act, or to the payment of any sum of money, the liquidator of the company, notwithstanding that he had endeavoured to sell or has taken possession of the property, or exercised any act of ownership in relation thereto, may, with the leave of the Court and subject to the provisions of this section, by writing signed by him, at any
New S. 208A] COMPANIES ACT (VII of 1913 Am. by Act XXII of 1936) CXLVII

time within twelve months after the commencement of the winding up or such extended period as may be allowed by the Court, disclaim the property:

Provided that, where any such property has not come to the knowledge of the liquidator within one month after the commencement of the winding up, the power under this section of disclaiming the property may be exercised at any time within twelve months after he has become aware thereof or such extended period as may be allowed by the Court.

(2) The disclaimer shall operate to determine, as from the date of disclaimer, the rights, interest and liabilities of the company, and the property of the company, in or in respect of the property disclaimed, but shall not, except so far as is necessary for the purpose of releasing the company and the property of the company from liability, affect the rights or liabilities of any other person.

(3) The Court, before or on granting leave to disclaim, may require such notices to be given to persons interested, and impose such terms as a condition of granting leave, and make such other order in the matter as the Court thinks just.

(4) The Court may, on an application by any person who either claims any interest in any disclaimed property or is under any liability not discharged by this Act in respect of any disclaimed property and on hearing any such persons as it thinks fit, make an order for the vesting of the property comprised therein, in that behalf without any conveyance or assignment for the purpose:

Provided that, where the property disclaimed is of a leasehold nature, the Court shall not make a vesting order in favour of any person claiming under the company whether as under-lessee or as mortgagee except upon the terms of making that person—

(a) subject to the same liabilities and obligations as those to which the company was subject under the lease in respect of the property at the commencement of the winding up; or
232. (1) Where any company is being wound up by or subject to the supervision of the Court, any attachment, distress or execution put in force without leave of the Court against the estate or effects of the company after the commencement of the winding up shall be void.

(2) Nothing in this section applies to proceedings by the Government.

235. (1) Where, in the course of winding up a company, it appears that any person who has taken part in the formation or promotion of the company, or any past or present director, manager or liquidator, or any officer of the company has misapplied or retained or become liable or accountable for any money or property of the company, or been guilty of any misfeasance or breach of trust in relation to the company, the Court may, on the application of the liquidator, or of any creditor or contributory, examine into the conduct of the promoter, director, manager, liquidator or officer, and compel him to re-pay or restore the money or property or any part thereof respectively with interest at such rate as the Court thinks just, or to contribute such sum to the assets of the company by way of compensation in respect of the misapplication, retainment, misfeasance or breach of trust as the Court thinks just.

(2) This section shall apply notwithstanding that the offence is one for which the offender may be criminally responsible.

(3) The Indian Limitation Act, 1908, shall apply to an application under this section as if such application were a suit.
COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936)

(b) if the Court thinks fit, subject only to the same liabilities and obligations as if the lease had been assigned to that person at that date;

and in either event (if the case so requires) as if the lease had comprised only the property comprised in the vesting order, and any mortgagee or under-lessee declining to accept a vesting order upon such terms shall be excluded from all interest in and security upon the property; and, if there is no person claiming under the company who is willing to accept an order upon such terms, the Court shall have power to vest the estate and interest of the company in the property in any person liable, either personally or in a representative character, and either alone or jointly with the company, to perform the lessee’s covenants in the lease, freed and discharged from all estates, incumbrances and interests created therein by the company.

(7) Any person injured by the operation of a disclaimer under this section shall be deemed to be a creditor of the company to the amount of the injury, and may accordingly prove the amount as a debt in the winding up.

232. (1) Where any company is being wound up by or subject to the supervision of the Court, any attachment, distress or execution put in force without leave of the Court against any of the properties of the company after the commencement of the winding up shall be void.

(2) Nothing in this section applies to proceedings by the Government.

235. (1) Where, in the course of winding up a company, it appears that any person who has taken part in the formation or promotion of the company, or any past or present director, manager or liquidator, or any officer of the company has misapplied or retained or become liable or accountable for any money or property of the company, or been guilty of any misfeasance or breach of trust in relation to the company, the Court may, on the application of the liquidator, or of any creditor or contributary made within three years from the date of the first appointment of a liquidator in the winding up or of the misapplication, retainer, misfeasance or breach of trust, as the case may be, examine into the conduct of the promoter, director, manager, liquidator or officer, and compel him to re-pay or restore the money or property or any part thereof with interest at such rate as the Court thinks just, or to contribute such sum to the assets of the company by way of compensation in respect of the misapplication, retainer, misfeasance or breach of trust as the Court thinks just.

(2) This section shall apply notwithstanding that the offence is one for which the offender may be criminally responsible.
237. (1) If it appears to the Court in the course of a winding up by or subject to the supervision of the Court that any past or present delinquent director, director, manager, officer or member of the company has been guilty of any offence in relation to the company for which he is criminally responsible, the Court may, on the application of any person interested in the winding up, or of its own motion, direct the official liquidator or the liquidator (as the case may be) to prosecute for the offence, and may order the costs and expenses to be paid out of the assets of the company.

(2) If it appears to the liquidator in the course of a voluntary winding up that any past or present director, manager, officer, or member of the company has been guilty of any offence in relation to the company for which he is criminally responsible, the liquidator, with the previous sanction of the Court, may prosecute the offender, and all expenses properly incurred by him in the prosecution shall be payable out of the assets of the company in priority to all other liabilities.
237. (1) If it appears to the Court in the course of a winding up by, or subject to the supervision of, the Court that any past or present director, manager or other officer, or any member, of the company has been guilty of any offence in relation to the company for which he is criminally liable, the Court may, either on the application of any person interested in the winding up or of its own motion, direct the liquidator either himself to prosecute the offender or to refer the matter to the registrar.

(2) If it appears to the liquidator in the course of a voluntary winding up that any past or present director, manager or other officer, or any member of the company has been guilty of any offence in relation to the company for which he is criminally liable, he shall forthwith report the matter to the registrar and shall furnish to him such information and give to him such access to and facilities for inspecting and taking copies of any documents, being information or documents in the possession or under the control of the liquidator relating to the matter in question, as he may require.

(3) Where any report is made under sub-section (2) to the registrar, he may, if he thinks fit, refer the matter to the Local Government for further inquiry, and the Local Government shall thereupon investigate the matter and may, if they think it expedient, apply to the Court for an order conferring on any person designated by the Local Government for the purpose with respect to the company concerned all such powers of investigating the affairs of the company as are provided by this Act in the case of a winding up by the Court.

(4) If on any report to the registrar under sub-section (2) it appears to him that the case is not one in which proceedings ought to be taken by him, he shall inform the liquidator accordingly, and on a report being made accordingly, the provisions of this section shall have effect as though the report has been made in pursuance of the provisions of sub-section (2).

(5) If it appears to the Court in the course of a voluntary winding up that any past or present director, manager or other officer, or any member, of the company has been guilty as aforesaid, and that no report with respect to the matter has been made by the liquidator to the registrar, the Court may, on the application of any person interested in the winding up or of its own motion, direct the liquidator to make such a report, and on a report being made accordingly, the provisions of this section shall have effect as though the report has been made in pursuance of the provisions of sub-section (2).

(6) If, where any matter is reported or referred to the registrar under this section, he considers that the case is one in which a prosecution ought to be instituted, he shall place the papers before the Advocate General or the public prosecutor and if advised to do so institute proceedings, and it shall be the duty of the liquidator and of every officer and agent of the company past and present (other than the defendant in the proceedings) to give him all assistance in connection with the prosecution which he is reasonably able to give:

Provided that no prosecution shall be undertaken without first giving the accused person an opportunity of making a statement in writing to the registrar and of being heard thereon.

For the purposes of this sub-section, the expression 'agent' in relation to a company shall be deemed to include any banker or legal adviser of the
New S. 238A] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) CXXI

...company and any person employed by the company as auditor, whether that person is or is not an officer of the company.

(7) If any person fails or neglects to give assistance in manner required by sub-section (6), the Court may, on the application of the registrar, direct that person to comply with the requirements of the said sub-section, and where any such application is made with respect to a liquidator, the Court may, unless it appears that the failure or neglect to comply was due to the liquidator not having in his hands sufficient assets of the company to enable him so to do, direct that the costs of the application shall be borne by the liquidator personally.

238A. (1) If any person, being a past or present director, managing agent, manager or other officer of a company which at the time of the commission of the alleged offence is being wound up, whether by or under the supervision of the Court or voluntarily, or is subsequently ordered to be wound up by the Court or subsequently passes a resolution for voluntary winding up—

(a) does not to the best of his knowledge and belief fully and truly discover to the liquidator all the property, real and personal, of the company, and how and to whom and for what consideration and when the company disposed of any part thereof, except such part as has been disposed of in the ordinary way of the business of the company; or

(b) does not deliver up to the liquidator, or as he directs, all such part of the real and personal property of the company as is in his custody or under his control, and which he is required by law to deliver up; or

(c) does not deliver up to the liquidator, or as he directs, all books and papers in his custody or under his control belonging to the company and which he is required by law to deliver up; or

(d) within twelve months next before the commencement of the winding up or at any time thereafter conceals any part of the property of the company to the value of one hundred rupees or upwards or conceals any debt due to or from the company; or

(e) within twelve months next before the commencement of the winding up or at any time thereafter fraudulently removes any part of the property of the company to the value of one hundred rupees or upwards; or

(f) makes any material omission in any statement relating to the affairs of the company; or

(g) knowing or believing that a false debt has been proved by any person under the winding up, fails for the period of a month to inform the liquidator thereof; or

(h) after the commencement of the winding up prevents the production of any book or paper affecting or relating to the property or affairs of the company; or

(i) within twelve months next before the commencement of the winding up or at any time thereafter, conceals, destroys,
mutates or falsifies, or is privy to the concealment, destruction, mutilation or falsification of any book or paper affecting or relating to the property or affairs of the company; or

(i) within twelve months next before the commencement of the winding up or at any time thereafter makes or is privy to the making of any false entry in any book or paper affecting or relating to the property or affairs of the company; or

(k) within twelve months next before the commencement of the winding up or at any time thereafter makes or is privy to the making of any false entry in any book or paper affecting or relating to the property or affairs of the company; or

(l) after the commencement of the winding up or at any meeting of the creditors of the company within twelve months next before the commencement of the winding up, attempts to account for any part of the property of the company by fictitious losses or expenses; or

(m) has within twelve months next before the commencement of the winding up or at any time thereafter, under the false pretence that the company is carrying on its business, obtained on credit any property for or on behalf of the company; or

(n) has within twelve months next before the commencement of the winding up or at any time thereafter, under the false pretence that the company is carrying on its business, obtained for or on behalf of the company any property by any false representation or other fraud; or

(o) within twelve months next before the commencement of the winding up or at any time thereafter, under the false pretence that the company is carrying on its business, obtained any property for or on behalf of the company; or

(p) is guilty of any false representation or other fraud for the purpose of obtaining the consent of the creditors of the company or any of them to an agreement with reference to the affairs of the company or to the winding up;

he shall be punishable, in the case of the offences mentioned respectively in clauses (m), (n) and (o) of this sub-section, with imprisonment for a term not exceeding five years, and, in the case of any other offence, with imprisonment for a term not exceeding two years:

Provided that it shall be a good defence to a charge under any of clauses (b), (c), (d), (f), (n) and (o), if the accused proves that he had no intent to defraud, and to a charge under any of clauses (a), (l), (i) and (j), if he proves that he had no intent to conceal the state of affairs of the company or to defeat the law.

(9) Where any person parts, pledges or disposes of any property in circumstances which amount to an offence under clause (e) of sub-section (1) every person who takes in pawn or pledge or otherwise receives the property
244. (1) Where a company is being wound up, if the winding up is not con-
cluded within one year after its commencement, the liquidator shall, at such intervals as may be prescribed, until the
winding up is concluded, file with the registrar a statement in
the prescribed form and containing the prescribed particulars with respect to the
proceedings in and position of the liquidation.

(2) Any person stating himself in writing to be a creditor or contributory
of the company shall be entitled, by himself or by his agent, at all reasonable
times, on payment of the prescribed fee, to inspect the statement, and to receive a
copy thereof or extract therefrom; but any person untruthfully so stating himself
to be a creditor or contributory shall be deemed to be guilty of an offence under
section 182 of the Indian Penal Code, and shall be punishable accordingly
on the application of the liquidator.

(3) If a liquidator fails to comply with the requirements of this section, he
shall be liable to a fine not exceeding five hundred rupees for each day during which
the default continues.

246. (1) The High Court may, from time to time, make rules consistent with
this Act and with the Code of Civil Procedure, 1908, con-
cerning the mode of proceedings to be had for winding up a
company in such Court and in the Courts subordinate thereto,
244. (1) Where a company is being wound up, if the winding up is not concluded within one year after its commencement, the liquidator shall, once in each year and at intervals of not more than twelve months, until the winding up is concluded, file in Court or with the registrar, as the case may be, a statement in the prescribed form and containing the prescribed particulars with respect to the proceedings in and position of the liquidation.

(2) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled, by himself or by his agent, at all reasonable times, on payment of the prescribed fee, to inspect the statement, and to receive a copy thereof or extract (therefrom, but any person untruthfully so stating himself to be a creditor or contributory shall be deemed to be guilty of an offence under section 182 of the Indian Penal Code, and shall be punishable accordingly on the application of the liquidator.

(3) If a liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding five hundred rupees for each day during which the default continues.

(4) When the statement is filed in Court a copy shall simultaneously be filed with the registrar and shall be kept by him along with the other records of the company.

244A. (1) Every liquidator of a company which is being wound up by the Court shall, in such manner and at such times as may be prescribed, pay the money received by him into a scheduled bank as defined in clause (e) of section 2 of the Reserve Bank of India Act, 1934:

Provided that if the Court is satisfied that for the purpose of carrying on the business for the company or of obtaining advances or for any other reason it is for the advantage of the creditors or contributories that the liquidator should have an account with any other bank, the Court may authorise the liquidator to make his payments into or out of such other bank as the Court may select and thereupon those payments shall be made in the prescribed manner.

(2) If any such liquidator at any time retains for more than ten days a sum exceeding five hundred rupees or such other amount as the Court may in any particular case authorise him to retain, unless he explains the retention to the satisfaction of the Court, he shall pay interest on the amount so retained in excess at the rate of twenty per cent, per annum and shall be liable to disallowance of all or such part of his remuneration as the Court may think just and to be removed from his office by the Court and shall be liable to pay any expenses occasioned by reason of his default.

(3) A liquidator of a company which is being wound up shall open a special banking account and pay all sums received by him as liquidator into such account.

246. (1) The High Court may, from time to time, make rules consistent with this Act and with the Code of Civil Procedure, 1908, concerning the mode of proceedings to be had for winding up a company in such Court and in the Courts sub-
CLVIII

COMPANIES ACT (VII of 1913) [Old S. 246]

and for giving effect to the provisions hereinbefore contained as to the reduction of the capital and the sub-divisions of the shares of a company, and shall make rules providing for all matters relating to the winding up of companies which, by this Act, are to be prescribed.

(2) Without prejudice to the generality of the foregoing power, the High Court may by such rules enable or require all or any of the powers and duties conferred and imposed on the Court by this Act, in respect of the matters following, to be exercised or performed by the official liquidator, and subject to the control of the Court, that is to say, the powers and duties of the Court in respect of—

(a) holding and conducting meetings to ascertain the wishes of creditors and contributories;

(b) settling list of contributories and rectifying the register of members where required, and collecting and applying the assets;

(c) requiring delivery of property or documents to the liquidator;

(d) making calls;

(e) fixing a time within which debts and claims must be proved.

Provided that the official liquidator shall not, without the special leave of the Court, rectify the register of members, and shall not make any call without the special leave of the Court.

271. (1) Subject to the provisions of this Part, any unwinding of registered company may be wound up under this Act, and all the provisions of this Act with respect to winding up shall apply to an unregistered company, with the following

exceptions and additions:

(i) an unregistered company shall, for the purpose of determining the Court having jurisdiction in the matter of the winding up, be deemed to be registered in the province where its principal place
ordinate thereto, and for voluntary winding up (both members and creditors), for the holding of meetings of creditors and members in connection with proceedings under section 153 of this Act, and for giving effect to the provisions hereinbefore contained as to the reduction of the capital and the subdivisions of the shares of a company, and generally for all applications to be made to the Court under the provisions of this Act, and shall make rules providing for all matters relating to the winding up of companies which, by this Act, are to be prescribed.

(2) Without prejudice to the generality of the foregoing power, the High Court may by such rules enable or require all or any of the powers and duties conferred and imposed on the Court by this Act, in respect of the matters following, to be exercised or performed by the official liquidator, and subject to the control of the Court, that is to say, the powers and duties of the Court in respect of—

(a) holding and conducting meetings to ascertain the wishes of creditors and contributories;
(b) settling lists of contributories and rectifying the register of members where required, and collecting and applying the assets;
(c) requiring delivery of property or documents to the liquidator;
(d) making calls;
(e) fixing a time within which debts and claims must be proved.

Provided that the official liquidator shall not, without the special leave of the Court, rectify the register of members, and shall not make any call without the special leave of the Court.

249A. (1) If a company, having made default in complying with any provision of this Act which requires it to file with, deliver or send to the registrar or any other document, or to give notice to him of any matter, fails to make good the default within fourteen days after the service of a notice on the company requiring it to do so, the Court may, on an application made to the Court by any member or creditor of the company or by the registrar, make an order directing the company and any officer thereof to make good the default within such time as may be specified in the order.

(2) Any such order may provide that all costs and incidental to the application shall be borne by the company or by any officers of the company responsible for the default.

(3) Nothing in this section shall be taken to prejudice the operation of any enactment imposing penalties on a company or its officers in respect of any such default as aforesaid.

271. (1) Subject to the provisions of this Part, any unregistered company may be wound up under this Act, and all the provisions of this Act with respect to winding up shall apply to an unregistered company, with the following exceptions and additions:

(i) an unregistered company shall, for the purpose of determining the Court having jurisdiction in the matter of the winding up, be deemed to be registered in the province where its
(ii) no unregistered company shall be wound up under this Act voluntarily or subject to supervision;

(iii) the circumstances in which an unregistered company may be wound up are as follows (that is to say) —

(a) if the company is dissolved, or has ceased to carry on business or is carrying on business only for the purpose of winding up its affairs;

(b) if the company is unable to pay its debts;

(c) if the Court is of opinion that it is just and equitable that the company should be wound up;

(iv) an unregistered company shall, for the purposes of this Act, be deemed to be unable to pay its debts—

(a) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees than due, has served on the company, by leaving at its principal place of business, or by delivering to the secretary, or some director, manager or principal officer of the company, or by otherwise serving in such manner as the Court may approve or direct, a demand under his hand requiring the company to pay the sum so due, and the company has for three weeks after the service of the demand neglected to pay the sum, or to secure or compound for it to the satisfaction of the creditor;

(b) if any suit or other legal proceeding has been instituted against any member for any debt or demand due or claimed to be due, from the company or from him in his character of member, and notice in writing of the institution of the suit or other legal proceeding having been served on the company by leaving it to the secretary, or some director, manager or principal officer of the company or by otherwise serving the same in such manner as the Court may approve or direct, the company has not within ten days after service of the notice paid, secured or compounded for the debt or demand, or procured the suit or other legal proceeding to be stayed, or indemnified the defendant to his reasonable satisfaction against the suit or other legal proceeding, and against all costs, damages and expenses to be incurred by him by reason of the same;

(c) if execution or other process issued on a decree or order obtained in any Court in favour of a creditor against the company, or any member thereof as such, or any person authorized
principal place of business is situate or, if it has a principal place of business situate in more than one province, then in each province where it has a principal place of business; and the principal place of business situate in that province in which proceedings are being instituted shall, for all the purposes of the winding up, be deemed to be the registered office of the company;

(vi) no unregistered company shall be wound up under this Act voluntarily or subject to supervision;

(iii) the circumstances in which an unregistered company may be wound up are as follows (that is to say):—

(a) if the company is dissolved, or has ceased to carry on business or is carrying on business only for the purpose of winding up its affairs;

(b) if the company is unable to pay its debts;

(c) if the Court is of opinion that it is just and equitable that the company should be wound up;

(iv) an unregistered company shall, for the purposes of this Act, be deemed to be unable to pay its debts—

(a) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees then due, has served on the company, by leaving at its principal place of business, or by delivering to the secretary, or some director, manager or principal officer of the company, or by otherwise serving in such manner as the Court may approve or direct, a demand under this hand requiring the company to pay the sum so due, and the company has for three weeks after the service of this demand neglected to pay the sum, or to secure or compound for it to the satisfaction of the creditor;

(b) if any suit or other legal proceeding has been instituted against any member for any debt or demand due or claimed to be due, from the company or from him in his character of member, and notice in writing of the institution of the suit or other legal proceeding having been served on the company by leaving the same at its principal place of business or by delivering it to the secretary, or some director, manager or principal officer of the company or by otherwise serving the same in such manner as the Court may approve or direct, the company has not within ten days after service of the notice paid, secured or compounded for the debt or demand, or procured the suit or other legal proceeding to be stayed, or indemnified the defendant to his reasonable satisfaction against the suit or other legal proceeding, and against all costs, damages and expenses to be incurred by him by reason of the same;

(c) if execution or other process issued on a decree or order obtained in any Court in favour of a creditor against the company, or any member thereof as such, or any person

O. C.—XI
(1) Every company incorporated outside British India, which at the commencement of this Act has a place of business in British India, and every such company which after the commencement of this Act establishes such a place of business within British India, shall, within six months from the commencement of this Act or within one month from the establishment of such place of business, as the case may be, file with the registrar in the province in which such place of business is situated,—

(a) a certified copy of the charter, statutes or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof;

(b) the full address of the registered or principal office of the company;

(c) a list of the directors and managers (if any) of the company;

(d) the names and addresses of some one or more persons resident in British India authorised to accept on behalf of the company service of process and any notices required to be served on the company;

and, in the event of any alteration being made in any such instrument or in such address or in the directors or managers or in the names or addresses of any such persons as aforesaid, the company shall, within the prescribed time, file with the registrar a notice of the alteration.

(2) Any process or notice required to be served on the company shall be sufficiently served, if addressed to any person whose name has been so filed as aforesaid and left at or sent by post to the address which has been so filed.

(3) Every company to which this section applies shall in every year file with the registrar of the province in which the company has its principal place of business—

(i) in a case where by the law, for the time being in force, of the country in which the company is incorporated such company
authorised to be sued as nominal defendant on behalf of
company, is returned unsatisfied; and
(d) if it is otherwise proved to the satisfaction of the Court that
the company is unable to pay its debts.

(2) Nothing in this Part shall affect the operation of any enactment
which provides for any partnership, association or company being wound up,
or being wound up as a company or as an unregistered company, under any
enactment repealed by this Act, except that references in any such first-
mentioned enactment to any such repealed enactment shall be read as
references to the corresponding provision (if any) of this Act.

(3) Where a company incorporated outside British India which has
been carrying on business in British India ceases to carry on business in British
India it may be wound up as an unregistered company under this Part, not-
withstanding that it has been dissolved or otherwise ceased to exist as a com-
pany under or by virtue of the laws of the country under which it was incorpo-
rated.

277. (1) Every company incorporated outside British India, which at
the commencement of this Act has a place of business in
British India, and every such company which after the
commencement of this Act establishes such a place of
business within British India, shall, within six months
from the commencement of this Act or within one month
from the establishment of such place of business, as the case may be, file with
the registrar in the province in which such place of business is situated,—
(a) a certified copy of the charter, statutes or memorandum and
articles of the company, or other instrument constituting or
defining the constitution of the company, and, if the instru-
ment is not written in the English language, a certified
translation thereof;
(b) the full address of the registered or principal office of the com-
pany;
(c) a list of the directors and managers (if any) of the company;
(d) the names and addresses of some one or more persons resident
in British India authorised to accept on behalf of the company
service of process and any notices required to be served on
the company;
and, in the event of any alteration being made in any such instrument or
in such address or in the directors or managers or in the names or addresses of
any such persons as aforesaid, the company shall, within the prescribed time,
file with the registrar a notice of the alteration.

(2) Any process or notice required to be served on the company shall
be sufficiently served, if addressed to any person whose name has been so
filed as aforesaid and left at or sent by post to the address which has been so
filed.

(3) Every company to which this section applies shall in every year
file with the registrar of the province in which the company has its principal
place of business—

(i) in a case where by the law, for the time being in force, of the
country in which the company is incorporated such company

Requirements as to companies established outside British India.
in a case where no such provision is made by the law, for the time being in force, of the country in which the company is incorporated,—such a statement in the form of a balance-sheet as such company would, if it were a company formed and registered under this Act, be required to file in accordance with the provisions of this Act:

Provided that the Governor General in Council may, by notification in the Gazette of India subject to such restrictions and conditions, if any, as he may prescribe, exempt any such company or any class of such companies from this requirement.

(4) Every company to which this section applies and which uses the word “Limited” as part of its name, shall—

(a) in every prospectus inviting subscriptions for its shares or debentures in British India, state the country in which the company is incorporated, and

(b) conspicuously exhibit on every place where it carries on business in British India the name of the company and the country in which the company is incorporated in letters easily legible in English characters, and also, if any place where it carries on business is beyond the local limits of the ordinary original civil jurisdiction of a High Court, in the characters of one of the vernacular languages used in that place; and

(c) have the name of the company and of the country in which the company is incorporated mentioned in legible English characters in all bill heads and letter paper, and in all notices, advertisements and other official publications of the company.

(5) If any company to which this section applies fails to comply with any of the requirements of this section, the company, and every officer or agent of the company, shall be liable to a fine not exceeding five hundred rupees or, in the case of a continuing offence, fifty rupees for every day during which the default continues.

(6) For the purposes of this section—

(a) the expression “certified” means certified in the prescribed manner to be a true copy or a correct translation;

(b) the expression “place of business” includes a share transfer or share registration office;

(c) the expression “director” includes any person occupying the position of director, by whatever name called; and

(d) the expression “prospectus” means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of the company.

(7) There shall be paid to the registrar for registering any document required by this section to be filed with him a fee of five rupees or such smaller fee as may be prescribed.
is required to file with the public authority an annual balance sheet—a copy of that balance-sheet; and if the balance-sheet does not contain all the information provided for in the form marked II in the Third Schedule, such supplementary statements as shall furnish such information; or

(ii) in a case where no such provision is made by the law, for the time being in force, of the country in which the company is incorporated, such a statement in the form of a balance-sheet as such company would, if it were a company formed and registered under this Act, be required to file in accordance with the provisions of this Act.

(4) Every company to which this section applies and which uses the word “Limited” as part of its name, shall—

(a) in every prospectus inviting subscriptions for its shares or debentures in British India, state the country in which the company is incorporated; and

(b) conspicuously exhibit on every place where it carries on business in British India the name of the company and the country in which the company is incorporated in letters easily legible in English characters and also, if any place where it carries on business is beyond the local limits of the ordinary original civil jurisdiction of a High Court, in the characters of one of the vernacular languages used in that place; and

(c) have the name of the company and of the country in which the company is incorporated mentioned in legible English characters in all bill heads and letter paper, and in all notices, advertisements and other official publications of the company.

(5) Every company to which this section applies shall, if the liability of the members of the company is limited cause notice of that fact to be stated in legible characters in every prospectus inviting subscriptions for its shares, and in all bill-heads and letter paper, notices, advertisements and other official publications of the company in British India, and to be affixed on every place where it carries on business.

(6) If any company to which this section applies fails to comply with any of the requirements of this section, the company, and every officer or agent of the company, shall be liable to a fine not exceeding five hundred rupees, or, in the case of a continuing offence, fifty rupees for every day during which the default continues.

(7) For the purposes of this section—

(a) the expression “certified” means certified in the prescribed manner to be a true copy or a correct translation;

(b) the expression “place of business” includes a share transfer or share registration office;

(c) the expression “director” includes any person occupying the position of director, by whatever name called; and

(d) the expression “prospectus” means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of the company.
(8) There shall be paid to the registrar for registering any document required by this section to be filed with him a fee of five rupees or such smaller fee as may be prescribed.

Resale on sale of shares

(1) It shall not be lawful for any person—
   (a) to issue, circulate or distribute in British India any prospectus offering for subscription shares in or debentures of a company incorporated or to be incorporated outside British India whether the company has or has not established, or when formed will or will not establish, a place of business in British India, unless—
      (i) before the issue, circulation or distribution of the prospectus in British India, a copy thereof, certified by the chairman and two other directors of the company as having been approved by resolution of the managing body, has been delivered for registration to the registrar;
      (ii) the prospectus states on the face of it that the copy has been so delivered;
      (iii) the prospectus is dated; and
      (iv) the prospectus otherwise complies with this Part;
   (b) to issue to any person in British India a form of application for shares in or debentures of such a company or intended company as aforesaid, unless the form is issued with a prospectus which complies with this Part:

Provided that this provision shall not apply if it is shown that the form of application was issued in connection with a bona fide invitation to a person to enter into an underwriting agreement with respect to the shares or debentures.

(2) This section shall not apply to the issue to existing members or debenture holders of a company of a prospectus or form of application relating to shares in or debentures of the company, whether an applicant for shares or debentures will or will not have the right to renounce in favour of other persons, but, subject as aforesaid, this section shall apply to a prospectus or form of application whether issued on or with reference to the formation of a company or subsequently.

(3) Where any document by which any shares in or debentures of a company incorporated outside British India are offered for sale to the public, if the company concerned had been a company within the meaning of this Act, have been deemed by virtue of section 98A to be a prospectus issued by that company, that document shall be deemed to be, for the purposes of this section, a prospectus issued by the company.

(4) An offer of shares or debentures for subscription or sale to any person has any business or part of whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent, shall not be deemed an offer to the public for the purposes of this section.

(5) Any person who is knowingly responsible for the issue, circulation or distribution of any prospectus, or for the issue of a form of application for shares or debentures, in contravention of the provisions of this section shall be liable to a fine not exceeding five thousand rupees.
In this section and in section 277B, the expressions 'prospectus', 'shares' and 'debentures' have the same meanings as when used in relation to a company incorporated under this Act.

277B. (1) In order to comply with this Part a prospectus, in addition to complying with the provisions of sub-clauses (ii) and (iii) of clause (a) of sub-section (1) of section 277A, must—

(a) contain particulars with respect to the following matters:—

(i) the objects of the company;

(ii) the instrument constituting or defining the constitution of the company;

(iii) the enactments, or provisions having the force of an enactment, by or under which the incorporation of the company was effected;

(iv) an address in British India where the said instrument, enactments or provisions, or copies thereof, and if the same are in a foreign language a translation thereof in the English language certified in the prescribed manner, can be inspected;

(v) the date on which and the country in which the company was incorporated;

(vi) whether the company has established a place of business in British India and, if so, the address of its principal office in British India;

Provided that the provisions of sub-clauses (i), (ii) and (iii) of this clause shall not apply in the case of a prospectus issued more than two years after the date at which the company is entitled to commence business;

(b) subject to the provisions of this section, state the matters specified in sub-section (1A) of section 93 and set out the reports specified in that section;

Provided that—

(i) where any prospectus is published as a newspaper advertisement, it shall be a sufficient compliance with the requirement that the prospectus must specify the objects of the company if the advertisement specifies the primary object with which the company was formed, and

(ii) in section 93 of this Act a reference to the articles of the company shall be deemed to be a reference to the constitution of the company.

(2) Any condition requiring or binding any applicant for shares or debentures to waive compliance with any requirement of this section, or purporting to affect him with notice of any contract, document, or matter not specifically referred to in the prospectus, shall be void.

(3) In the event of non-compliance with or contravention of any of the requirements of this section, a director or other person responsible for the
prospectus shall not incur any liability by reason of the non-compliance or contravention, if—

(a) as regards any matter not disclosed, he proves that he was not cognisant thereof; or

(b) he proves that the non-compliance or contravention arose from an honest mistake of fact on his part, or

(c) the non-compliance or contravention was in respect of matters which, in the opinion of the Court dealing with the case, were immaterial or were otherwise such as ought, in the opinion of that Court, having regard to all the circumstances of the case, reasonably to be excused:

Provided that in the event of failure to include in a prospectus a statement with respect to the matters specified in clause (n) of sub-section (1) of section 93, no director or other person shall incur any liability in respect of the failure unless it be proved that he had knowledge of the matters not disclosed.

(4) Nothing in this section shall limit or diminish any liability which any person may incur under the general law or this Act, apart from this section.

277C. (1) It shall not be lawful for any person to visit from house to house offering shares of a company incorporated outside India for subscription or purchase to the public or any member of the public.

(2) In this sub-section the expression 'house' shall not include an office used for business purposes.

(3) Any person acting in contravention of this section shall be liable to a fine not exceeding rupees one hundred.

277D. The provisions of sections 109 to 117, both inclusive, and 120 to 125, both inclusive, shall extend to charges on properties in British India which are created and to charges on property in British India which is acquired after the commencement of the Indian Companies (Amendment) Act, 1936, by a company incorporated outside British India which has an established place of business in British India.

277E. The provisions of sections 118 and 119 shall mutatis mutandis apply to the case of all companies incorporated outside British India but having an established place of business in British India and the provisions of section 150 shall apply to such companies to the extent of requiring them to keep at their principal place of business in British India the books of account required by that section with respect to money received and expended, sales and purchases made, and assets and liabilities in relation to its business in British India.
A 'banking company' means a company which carries on as its principal business the accepting of deposits of money on current account or otherwise, subject to withdrawal by cheque, draft or order, notwithstanding that it engages in addition in any one or more of the following forms of business, namely:

1. the borrowing, raising or taking up of money; the lending or advancing of money either upon or without security; the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scripts and other instruments, and securities whether transferable or negotiable or not; the granting and issuing of letters of credit, travellers cheques and circular notes; the buying, selling and dealing in bullion and specie; the buying and selling of foreign exchange including foreign bank notes; the acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; the purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or otherwise; the collecting and transmitting of money and securities;

2. acting as agents for Governments or local authorities or for any other person or persons; the carrying on of agency business of any description other than the business of a managing agent, including the power to act as attorneys and to give discharges and receipts;

3. contracting for public and private loans and negotiating and issuing the same;

4. the promoting, effecting, insuring, guaranteeing, underwriting, participating in managing and carrying out of any issue, public or private, of State, Municipal or other loans or of shares, stock, debentures, or debenture stock of any company, corporation or association and the lending of money for the purpose of any such issue;

5. carrying on and transacting every kind of guarantee and indemnity business;

6. promoting or financing or assisting in promoting or financing any business undertaking or industry, whether existing or new, and developing or forming the same either through the instrumentality of syndicates or otherwise;

7. acquisition by purchase, lease, exchange, hire or otherwise of any property immovable or moveable and any rights or privileges which the company may think necessary or convenient to acquire or the acquisition of which in the opinion of the company is likely to facilitate the realisation of any securities held by the company or to prevent or diminish any apprehended loss or liability;
(8) managing, selling and realising all property movable and
immoveable which may come into the possession of the company
in satisfaction or part satisfaction of any of its claims;
(9) acquiring and holding and generally dealing with any property and
any right, title or interest in any property movable or immovable
which may form part of the security for any loan or advance or
which may be connected with any such security;
(10) undertaking and executing trusts;
(11) undertaking the administration of estates as executor, trustee or
otherwise;
(12) taking or otherwise acquiring and holding shares in any other
company having objects similar to those of the company;
(13) establishing and supporting or aiding in the establishment and
support of associations, institutions, funds, trusts and conveniences
calculated to benefit employees or ex-employees of the company or
the dependents or connections of such persons; granting pensions
and allowances and making payments towards insurance; subscribing
to or guaranteeing moneys for charitable or benevolent objects or
for any exhibition or for any public, general or useful
object;
(14) the acquisition, construction, maintenance and alteration of any
building or works necessary or convenient for the purposes of the
company;
(15) selling, improving, managing, developing, exchanging, leasing,
mortgaging, disposing of or turning into account or otherwise dealing
with all or any part of the property and rights of the company;
(16) acquiring and undertaking the whole or any part of the business of
any person or company, when such business is of a nature enumera-
ted or described in this section;
(17) doing all such other things as are incidental or conducive
to the promotion or advancement of the business of the company.

277G. (1) No company formed after the commencement of the Indian
Companies (Amendment) Act, 1936, for the purpose of
limitation of activi-
carrying on business as a banking company or which uses as part of the name under which it proposes to carry on business the word 'bank'; 'banker' or 'banking' shall be
registered under this Act, unless the memorandum limits the
objects of the company to the carrying on of the business of accepting deposits of money on current account or otherwise subject to withdrawal by cheque, draft or otherwise along with some or all of the forms of business specified in section 277F.

(2) No banking company whether incorporated in or outside British
India shall after the expiry of two years from the commencement of the said Act carry on any form of business other than those specified in section 277F.

Provided that the Governor General in Council may, by notification in the
Gazette of India, specify in addition to the businesses set forth in clauses (1) to (17) of section 277F other forms of business which it may be lawful under
this section for a banking company to engage in.
New S. 277H] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) CLXXVII

277H. No banking company shall after the expiry of two years from the commencement of the Indian Companies (Amendment) Act, 1936, employ or be managed by a managing agent other than a banking company for the management of the company.

277I. Notwithstanding anything contained in section 103, no banking company incorporated under this Act after the commencement of the Indian Companies (Amendment) Act, 1936, shall commence business, unless shares have been allotted to an amount sufficient to yield a sum of at least fifty thousand rupees as working capital and unless a declaration duly verified by an affidavit signed by the directors and the manager that such a sum has been received by way of paid up capital has been filed with the registrar.

277J. No banking company shall create any charge upon any unpaid capital of the company, and any such charge shall be invalid.

277K. (1) Every banking company shall, after the commencement of the Indian Companies (Amendment) Act, 1936, maintain a reserve fund.

(2) Every banking company shall out of the declared profits of each year and before any dividend is declared transfer a sum equivalent to not less than twenty per cent. of such profits to the reserve fund until the amount of the said fund is equal to the paid up capital.

(3) Every banking company shall invest the amount standing to the credit of its reserve fund in Government securities or in securities mentioned or referred to in section 20 of the Indian Trusts Act, 1883, or keep deposited in a special account to be opened by the company for the purpose in a scheduled bank as defined in clause (e) of section 2 of the Reserve Bank of India Act, 1934; provided that the provision of the sub-section shall not apply to a banking company incorporated before the commencement of the Indian Companies (Amendment) Act, 1936, till after the expiry of two years from the commencement of the said Act.

277L. (1) Every banking company shall maintain by way of cash reserve in cash a sum equivalent to at least one and a half per cent. of the time liabilities and five per cent. of the demand liabilities of such company and shall file with the registrar before the tenth day of every month a statement of the amount so held on the Friday of each week of the preceding month with particulars of the time and demand liabilities of each such day.

(2) For the purposes of sub-section (1) 'demand liabilities' means liabilities which must be met on demand, and 'time liabilities' means liabilities which are not demand liabilities.

(3) Nothing in this section or in section 277K shall apply to a scheduled bank as defined in clause (e) of section 2 of the Reserve Bank of India Act, 1934.

(4) If default is made in complying with the requirements of section 277L, section 277H, section 277J or section 277K or with section 277L, section 277H, section 277J or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K or with section 277K...
281. If in any proceeding before any Court against a director of a company for negligence or breach of trust, it appears to such Court that the director is or may be liable in respect of the negligence or breach of trust, but has acted honestly and reasonably and ought fairly to be excused for the negligence or breach of trust, that Court may relieve him, either wholly or partly, from his liability on such terms as the Court may think proper.
the requirements of this section as to the maintenance of a cash reserve, every director or other officer of the company who is knowingly and wilfully a party to the default shall be liable to a fine not exceeding five hundred rupees for every day during which the default continues, and if default is made in complying with the requirements of this section as to the filing of the statement referred to in sub-section (1), to a fine not exceeding one hundred rupees for every day during which the default continues.

277M. A banking company shall not form or hold shares in any subsidiary company except a subsidiary company of its own formed for the purpose of undertaking and executing trusts, undertaking the administration of estates as executor, trustee or otherwise and such other purposes set forth in section 277F as are incidental to the business of accepting deposits of money on current account or otherwise.

277M. (1) The Court may on the application of a banking company which is temporarily unable to meet its obligations to make an order staying the commencement or continuance of all actions and proceedings against the company for a fixed period of time on such terms and conditions as it shall think fit and proper and may from time to time extend the period.

(2) No such application shall be maintainable unless accompanied by a report of the registrar:

Provided, however, the Court may, for sufficient reasons, grant interim relief, even if the application is not accompanied by such report.

(3) The registrar shall for the purposes of his report be entitled at the cost of the company to investigate the financial condition of the company and for such purpose to have the books and documents of the company examined by an accountant holding a certificate issued under section 144.

281. (1) If in any proceeding for negligence, default, breach of duty or breach of trust against a person to whom this section applies, it appears to the Court hearing the case that that person is or may be liable in respect of the negligence, default, breach of duty or breach of trust, but that he has acted honestly and reasonably, and that having regard to all the circumstances of the case, including those connected with his appointment, he ought fairly to be excused for the negligence, default, breach of duty or breach of trust, that Court may relieve him, either wholly or partly, from his liability on such terms as the Court may think fit.

(2) Where any person to whom this section applies has reason to apprehend that any claim will or might be made against him in respect of any negligence, default, breach of duty or breach of trust, he may apply to the Court for relief, and the Court on any such application shall have the same power to relieve him as under this section it would have had if it had been a Court before which proceedings against that person for negligence, default, breach of duty or breach of trust had been brought.

(3) The persons to whom this section applies are the following:

(a) directors of a company;

(b) managers and managing agents of a company;
COMPANIES ACT (VII of 1913).
New S. 282A] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) CLXXXI

(c) officers of a company;

(d) persons employed by a company as auditors, whether they are or are not officers of the company.

282A. Any director, managing agent, manager or other officer or employee of a company who wrongfully obtains possession of any property of a company, or having any such property in his possession wrongfully withholds it or unlawfully applies it to purposes other than those expressed or directed in the articles and authorized by this Act, shall, on the complaint of the company or any creditor or contributory thereof, be punishable with fine not exceeding one thousand rupees and may be ordered by the Court trying the offence to deliver up or refund within a time to be fixed by the Court any such property improperly obtained or wrongfully withheld or unlawfully misapplied or in default to suffer imprisonment for a period not exceeding two years.

282B. (1) All moneys or securities deposited with a company by its employees in pursuance of their contracts of service with the company shall be kept or deposited by the company in a special account to be opened by the company for the purpose, in a scheduled bank as defined in clause (e) of section 5 of the Reserve Bank of India Act, 1934, and no portion thereof shall be utilized by the company except for the purposes agreed to in the contract of service.

(2) Where a provident fund has been constituted by a company for its employees or any class of its employees, all moneys contributed to such fund (whether by the company or by the employees) or accruing by way of interest or otherwise to such fund after the commencement of the Indian Companies (Amendment) Act, 1936, shall be invested, and shall be invested only in securities mentioned or referred to in clauses (a) to (e) of section 20 of the Indian Trusts Act, 1882, and all moneys belonging to such fund at the commencement of the said Act which are not so invested shall be invested in such securities by annual instalments not exceeding ten in number and not less in amount in any year than one-tenth of the whole amount of such moneys.

(3) Notwithstanding anything to the contrary in the rules of any fund to which sub-section (1) applies or in any contract between a company and its employees, no employee shall be entitled to receive in respect of such portion of the amount to his credit in such fund as is invested in accordance with the provisions of sub-section (2) interest at a rate exceeding the rate of interest yielded by such investment.

(4) An employee shall be entitled on request made in this behalf to the company to see the bank’s receipt for any money or security such as is referred to in sub-section (1) and sub-section (2).

(5) Any director, managing agent, manager or other officer of the company who knowingly contravenes or permits or authorizes the contravention of the provisions of this section shall be liable on conviction to a fine not exceeding five hundred rupees.
COMPANIES ACT (VII of 1913) [Old Sch. I]

THE FIRST SCHEDULE.

TABLE A.

3. Subject to the provisions, if any, in that behalf of the memorandum of association of the company, and without prejudice to any special rights previously conferred on the holders of existing shares in the company, any share in the company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital, or otherwise, as the company may from time to time by special resolution determine.

4. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To carry out the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or presenting by proxy one-third of the issued shares of the class.

5. No part of the funds of the company shall be employed in the purchase of, or in loans upon the security of, the company's shares.

20. The directors may decline to register any transfer of shares, not being fully paid shares, to a person of whom they do not approve, and may also decline to register any transfer of shares on which the company has a lien. The directors may also suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognise any instrument of transfer unless—

(a) a fee not exceeding two rupees is paid to the company in respect thereof; and

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

41. The directors may, with the sanction of an extraordinary resolution of the company, increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

44. The company may, by special resolution,—

(a) consolidate and divide its share capital into shares of larger amount than its existing shares;

(b) by sub-division of its existing shares or any part of them, divide the whole or any part of its share capital into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of paragraph (d) of subsection (1) of section 50 of the Indian Companies Act, 1913;

(c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person;

(d) reduce its share capital in any manner and with, and subject to, any incident authorised, and consent required, by law.

46. A general meeting shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs, and at such place as the directors shall appoint. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be called by any two members in the same manner as nearly as possible as that in which meetings are to be called by the directors.

49. Fourteen days' notice at the least (exclusive of the day on which the notice is served or deemed to be served) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that
New Sch. I] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) CLXXXIII

THE FIRST SCHEDULE.

TABLE A.

3. Subject to the provisions, if any, in that behalf of the memorandum of association of the company, and without prejudice to any special rights previously conferred on the holders of existing shares in the company, any share in the company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital, or otherwise, as the company may from time to time, by special resolution determine, and any preference share may with the sanction of a special resolution be issued on the terms that it is or at the option of the company is liable to be redeemed.

4. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of section 6f-A of the Indian Companies Act, 1913, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class.

5. Except as to the extent allowed by section 54-A of the Indian Companies Act, 1913, no part of the funds of the company shall be employed in the purchase of, or in loans upon the security of, the company's shares.

20. The directors may decline to register any transfer of shares, not being fully paid shares, to a person of whom they do not approve, and may also decline to register any transfer of shares on which the company has a lien. The directors may also suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognise any instrument of transfer unless—

(a) a fee not exceeding two rupees is paid to the company in respect thereof; and

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

If the directors refuse to register a transfer of any shares, they shall within two months after the date on which the transfer was lodged with the company send to the transferee and the transferor notice of the refusal.

41. The directors may, with the sanction of the company in general meeting increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

44. The company may, by ordinary resolution,—

(a) consolidate and divide its share capital into shares of larger amount than its existing shares;

(b) by subdivision of its existing shares, or any of them, divide the whole or any part of its share capital into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of paragraph (d) of sub-section (1) of section 56 of the Indian Companies Act, 1913;

(c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

64A. The company may, by special resolution, reduce its share capital in any manner and with, and subject to any incidental authorised and consent required, by law.

46. A general meeting shall be held within eighteen months from the date of its incorporation and thereafter once at least in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time and at such place as the directors shall appoint. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be called by any two members in the same manner as nearly as possible that in which meetings are to be called by the directors.

49. Subject to the provisions of sub-section (8) of section 81 of the Indian Companies Act, 1913, relating to special resolutions, fourteen days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given,
business, shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the regulations of the company, entitled to receive such notices from the company; but the non-receipt of the notice by any member shall not invalidate the proceedings at any general meeting.

51. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, three members personally present shall be a quorum.

60. On a show of hands every member present in person shall have one vote. On a poll, every member shall have one vote for each share of which he is the holder.

65. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under the common seal, or under the hand of an officer or attorney so authorized. No person shall act as a proxy unless either he is entitled on his own behalf to be present and vote at the meeting at which he acts as proxy, or he has been appointed to act at that meeting as proxy for a corporation.

77. The office of director shall be vacated if the director—
(a) ceases to be a director by virtue of section 85 of the Indian Companies Act, 1913; or
(b) holds, or any partner of his, or the firm of which he is a member, holds any other office of profit under the company except that of managing director or manager; or
(c) is adjudged insolvent; or
(d) is found lunatic or becomes of unsound mind; or
(e) is concerned or participates in the profits of any contract with the company; or
(f) is punished with imprisonment for a term exceeding six months;

Provided, however, that no director shall vacate his office by reason of his being a member of any company which has entered into contracts with, or done any work for, the company of which he is director; but a director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted.

83. The company may from time to time in general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.

92. No dividends shall be paid otherwise than out of profits.

103. The directors shall cause true accounts to be kept—
(a) of the sums of money received and expended by the company, and the matter in respect of which such receipt and expenditure takes place; and
(b) of the assets and liabilities of the company.

104. The books of account shall be kept at the registered office of the company, or at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
New Sch. I] COMPANIES ACT (VII of 1913 Am. by Act XXII of 1936) CLXXXV

specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the Indian Companies Act, 1913, or the regulations of the company, entitled to receive such notices from the company; but the accidental omission to give notice to or the non-receipt of notice by any member shall not invalidate the proceedings at any general meeting.

51. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided two members in the case of a private company and five members in the case of any other company personally present shall be a quorum.

60. On a show of hands every member present in person shall have one vote. On a poll every member shall have one vote in respect of each share or such hundred rupees of stock held by him.

65. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly appointed in writing, or, if the appointor is a corporation, either under the common seal, or under the hand of an officer or attorney so authorized. No person shall act as a proxy unless he is a member of the company.

77. The office of director shall be vacated if the director—
   (a) fails to obtain within the time specified in sub-section (1) of section 34 of the Indian Companies Act, 1913, or at any time thereafter causes to hold, the share qualification, if any, necessary for his appointment; or
   (b) is adjudged insolvent; or
   (c) is found to be of unsound mind by a Court of competent jurisdiction; or
   (d) fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made; or
   (e) without the sanction of the company in general meeting accepts, or holds any office of profit under the company other than that of a managing director or manager or a legal or technical adviser or a banker; or
   (f) absents himself from three consecutive meetings of the directors or from all meetings of the directors for a continuous period of three months, whichever is longer, without leave of absence from the board of directors; or
   (g) accepts a loan from the company; or
   (h) is convicted or participates in the profits of any contract with the company; or
   (i) is punished with imprisonment for a term exceeding six months:

Provided, however, that no director shall vacate his office by reason of his being a member of any company which has entered into contracts with, or done any work for, the company of which he is director, but a director shall not vote in respect of any such contract or work; and

82. Subject to the proviso of sections 83A and 83B of the Indian Companies Act, 1913, the company may from time to time, in general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.

97. No dividends shall be paid otherwise than out of profits of the year or any other undistributed profits.

103. The directors shall cause to be kept proper books of account with respect to—
   (a) all sums of money received and expended by the company and the matters in respect of which the receipts and expenditure take place;
   (b) all sales and purchases of goods by the company;
   (c) the assets and liabilities of the company,

104. The books of account shall be kept at the registered office of the company or at such other place as the directors shall think fit and shall be open to inspection by the directors during business hours.
106. Once at least in every year the directors shall lay before the company in general meeting a profit and loss account for the period since the preceding account or (in the case of the first account) since the incorporation of the company, made up to a date not more than six months before such meeting.

107. The profit and loss account shall show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting, and, in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

THE SECOND SCHEDULE.
(See section 58).

STATEMENT IN LIEU OF PROSPECTUS

filed by

THE INDIAN COMPANIES ACT, 1913.

STATEMENT IN LIEU OF PROSPECTUS.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>The nominal share capital of the company.</td>
<td>Rs.</td>
</tr>
<tr>
<td>Divided into</td>
<td></td>
</tr>
<tr>
<td>Share of Rs. each</td>
<td></td>
</tr>
<tr>
<td>Names, descriptions and addresses of directors or proposed directors</td>
<td></td>
</tr>
<tr>
<td>and of the managers or proposed managers.</td>
<td></td>
</tr>
<tr>
<td>Minimum subscription (if any) fixed by the memorandum or articles of</td>
<td></td>
</tr>
<tr>
<td>association on which the company may proceed to allotment.</td>
<td></td>
</tr>
<tr>
<td>Number and amount of shares and debentures agreed to be issued as fully or</td>
<td></td>
</tr>
<tr>
<td>partly paid up otherwise than in each.</td>
<td></td>
</tr>
<tr>
<td>The consideration for the intended issue of those shares and debentures</td>
<td></td>
</tr>
<tr>
<td>1. shares Rs. fully paid</td>
<td></td>
</tr>
<tr>
<td>2. shares upon which Rs. per share credited as paid</td>
<td></td>
</tr>
<tr>
<td>3. Debentures Rs.</td>
<td></td>
</tr>
<tr>
<td>4. Consideration</td>
<td></td>
</tr>
<tr>
<td>Names and addresses of (a) vendors of property purchased or acquired, (b)</td>
<td></td>
</tr>
<tr>
<td>or proposed to be purchased or acquired by the company.</td>
<td></td>
</tr>
<tr>
<td>Amount (in cash, shares or debentures) payable to each separate vendor.</td>
<td></td>
</tr>
</tbody>
</table>
New Sch. II] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) CLXXXVII

106. The directors shall as required by sections 131 and 131A of the Indian Companies Act, 1913, cause to be prepared and to be laid before the company in general meeting such profit and loss accounts, balance sheets, and reports as are referred to in those sections.

107. The profit and loss account shall in addition to the matters referred to in sub-section (3) of section 132 of the Indian Companies Act, 1913, show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting, and, in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

THE SECOND SCHEDULE.
(See sections 98 and 154.)
FORM I.
The Indian Companies Act, 1913,
STATEMENT IN LIEU OF PROSPECTUS
filed by

pursuant to section 98 of the Indian Companies Act, 1913.
Presented for filing by

<table>
<thead>
<tr>
<th>The nominal share capital of the company.</th>
<th>Rs. ..................</th>
</tr>
</thead>
<tbody>
<tr>
<td>Divided into .....................................</td>
<td>shares of Rs. ........ each.</td>
</tr>
<tr>
<td></td>
<td>shares of Rs. ........ each.</td>
</tr>
<tr>
<td></td>
<td>shares of Rs. ........ each.</td>
</tr>
<tr>
<td>Amount (if any) of above capital which consists of redeemable preference shares.</td>
<td>shares of Rs. ........ each.</td>
</tr>
<tr>
<td>The date on or before which these shares are, or are liable, to be redeemed.</td>
<td></td>
</tr>
<tr>
<td>Names, descriptions and addresses of directors or proposed directors and managers or proposed managers, and any provision in the articles, or in any contract, as to appointment of and remuneration payable to directors or managers.</td>
<td></td>
</tr>
<tr>
<td>If the share capital of the company is divided into different classes of shares, the right of voting at meetings of the company conferred by, and the rights in respect of capital and dividends attached to, the several classes of shares respectively.</td>
<td>1. — shares of Rs. ........ fully paid</td>
</tr>
<tr>
<td></td>
<td>2. — shares upon which Rs. ........ per share credited as paid.</td>
</tr>
<tr>
<td></td>
<td>3. Debenture Rs. ........</td>
</tr>
<tr>
<td></td>
<td>4. Consideration.</td>
</tr>
</tbody>
</table>
### COMPANIES ACT (VII of 1913)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (paid or payable)</th>
<th>Total purchase price</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Amount (if any) paid or payable (in each or shares or debentures) for any such property, specifying amount (if any) paid or payable for goodwill</td>
<td></td>
<td>Rs.</td>
</tr>
<tr>
<td></td>
<td>Cash</td>
<td>Rs.</td>
</tr>
<tr>
<td></td>
<td>Shares</td>
<td>Rs.</td>
</tr>
<tr>
<td></td>
<td>Debentures</td>
<td>Rs.</td>
</tr>
<tr>
<td></td>
<td>Goodwill</td>
<td>Rs.</td>
</tr>
<tr>
<td>Amount (of any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the company or</td>
<td>Amount paid.</td>
<td>Rs.</td>
</tr>
<tr>
<td></td>
<td>payable.</td>
<td>Rate per cent.</td>
</tr>
<tr>
<td>Estimated amount of preliminary expenses</td>
<td>Rs.</td>
<td></td>
</tr>
<tr>
<td>Amount paid or intended to be paid to any promoter</td>
<td>Name of promoter</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amount Rs.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Consideration</td>
<td></td>
</tr>
<tr>
<td>Dates of, and parties to every material contract (other than contracts entered into in the ordinary course of the business intended to be carried on by the company or entered into more than two years before the filing of this statement).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time and place at which the contracts or copies thereof may be inspected</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Names and addresses of the auditors of the company (if any).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full particulars of the nature and extent of the interest of every director in the promotion of or in the property proposed to be acquired by the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise by any person, either to induce him to become, or to qualify him as a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Whether the articles contain any provisions precluding holders of shares or debentures receiving and inspecting balance-sheets or reports of the auditors or other reports.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nature of the provisions.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Signature of the persons abovenamed as directors or proposed directors, or of their agents authorised in writing).
### New Sch. II

**COMPANIES ACT (VII of 1913 AM. BY ACT XXII OF 1936) CLXXXIX**

<table>
<thead>
<tr>
<th>Names and addresses of vendors of property purchased or acquired, or proposed to be purchased or acquired by the company.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount (in cash, shares or debentures) payable to each separate vendor.</td>
<td></td>
</tr>
</tbody>
</table>

| Amount (if any) paid or payable (in cash or shares or debentures) for any such property, specifying amount (if any) paid or payable for goodwill. | Total purchase price | Rs.  | Cash | Rs.  | Shares | Rs.  | Debentures | Rs.  | Goodwill | Rs.  |  |
|---|---|---|---|---|---|---|---|---|---|---|
|  |  |  |  |  |  |  |  |  |  |  |  |

| Amount (if any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the company; or | Amount paid. |  |
|---|---|
| Rate of the commission | Rate per cent. |  |

<table>
<thead>
<tr>
<th>The number of shares, if any, which persons have agreed for a commission to subscribe absolutely.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated amount of preliminary expenses.</td>
<td>Rs.</td>
</tr>
</tbody>
</table>

| Amount paid or intended to be paid to any promoter. | Name of promoter |  |
|---|---|
| Consideration for the payment. | Amount Rs.  |  |
| Consideration: — |  |

<table>
<thead>
<tr>
<th>Dates of, and parties to every material contract (except contracts entered into in the ordinary course of the business intended to be carried on by the company or contracts, other than contracts appointing or fixing the remuneration of a managing director or managing agent, entered into more than two years before the delivery of this statement).</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Time and place at which the contracts or copies thereof may be inspected.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Names and addresses of the auditors of the company (if any).</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Full particulars of the nature and extent of the interest of every director in the promotion of or in the property proposed to be acquired by the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company.</td>
<td></td>
</tr>
</tbody>
</table>
COMPANIES ACT (VII of 1913)
If it is proposed to acquire any business, the amount, as certified by the persons by whom the amounts of the business have been audited, of the net profits of the business in respect of each of the three financial years immediately preceding the date of this statement provided that in the case of a business which has been carried on for less than three years and the accounts of which have only been made up in respect of two years or one year the above requirement shall have effect as if references to two years or one year, as the case may be, were substituted for references to three years, and in any such case the statement shall say how long the business to be acquired has been carried on.

(Signatures of the persons above-named as directors or proposed directors, or of their agents authorised in writing).

Date

FORM II.

The Indian Companies Act, 1913.

STATEMENT IN LIEU OF PROSPECTUS

filed by

........................................Limited,

pursuant to sub-section (1) of section 154 of the Indian Companies Act, 1913.

Presented for filing by

<table>
<thead>
<tr>
<th>The nominal share capital of the Company,</th>
<th>Rs. .......................... ..........................</th>
</tr>
</thead>
<tbody>
<tr>
<td>Divided into</td>
<td>Shares of Rs. ....... each, Shares of Rs. ....... each,</td>
</tr>
<tr>
<td>Amount (if any) of above capital which consists of redeemable preference shares.</td>
<td>Shares of Rs. ....... each.</td>
</tr>
<tr>
<td>The date on or before which these shares are, or are liable, to be redeemed.</td>
<td>...........................................................................</td>
</tr>
<tr>
<td>Names, descriptions and addresses of Directors or proposed Directors and Managers or proposed Managers, and any provision in the Articles, or in any contract, as to appointment of and remuneration payable to Directors or Managers.</td>
<td>...........................................................................</td>
</tr>
<tr>
<td>If the share capital of the Company is divided into different classes of shares, the right of voting at meetings of the Company conferred by and the rights in respect of capital and dividends attached to, the several classes of shares respectively.</td>
<td>...........................................................................</td>
</tr>
</tbody>
</table>
### New Sch. II] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) CXIII

| Number and amount of shares and debentures issued within the two years preceding the date of this statement as fully or partly paid up otherwise than for cash or agreed to be so issued at the date of this statement. |
|---|---|
| 1. Shares of Rs. | fully paid |
| 2. Shares upon which Rs. per share credited as paid. |
| 3. Debenture Rs. |
| 4. Consideration. |

| Names and addresses of vendors of property (1) purchased or acquired by the Company within the two years preceding the date of this Statement or (2) agreed or proposed to be purchased or acquired by the Company. |
|---|---|
| Amount (in cash, shares or debentures) payable to each separate vendor. |
| Amount (if any) paid or payable (in cash or shares or debentures) for any such property specifying amount (if any) paid or payable for goodwill. |
| Total purchase price | Rs. | |
| Cash | Rs. | |
| Shares | Rs. | |
| Debentures | Rs. | |
| Goodwill | Rs. | |

| Amount (if any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the Company ; or rate of the commission. |
|---|---|
| Amount paid. |
| Amount payable. |
| Rate per cent. |

| The number of shares, if any, which persons have agreed for a commission to subscribe absolutely. |
|---|---|
| Unless more than two years have elapsed since the date on which the Company was entitled to commence business :— |
| Estimated amount of preliminary expenses. |
| Rs. |
| Amount paid or intended to be paid to any promoter. |
| Name of promoter. |
| Amount Rs. |
| Consideration. |

| Dates of and parties to every material contract (except contracts entered into in the ordinary course of the business intended to be carried on by the Company or contracts, other than contracts appointing or fixing the remuneration of a Managing Director or Managing Agent, entered into more than two years before the delivery of this statement). |
|---|---|
| Time and place at which the contracts or copies thereof may be inspected. |

| Names and addresses of the Auditors of the Company. |
|---|---|

O. C._—XIII
Full particulars of the nature and extent of the interest of every Director in the promotion of or in the property purchased or acquired by the Company within the two years preceding the date of this statement or proposed to be acquired by the Company or where the interest of such a Director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by the firm in connection with the promotion of the formation of the Company.

If it is proposed to acquire any business, the amount, as certified by the persons by whom the accounts of the business have been audited, of the net profits of the business in respect of each of the three financial years immediately preceding the date of this statement provided that in the case of a business which has been carried on for less than three years and the accounts of which have only been made up in respect of two years or one year the above requirement shall have effect as if references to two years or one year, as the case may be, were substituted for references to three years, and in any such case the statement shall say how long the business to be acquired has been carried on.

(D Signatures of the persons above named as Directors or proposed Directors or of their agents authorised in writing.)

Dated the day of
### THE THIRD SCHEDULE:

**FORM F.**

*See section 132.*

**Balance-sheet as at**...........Limited. ..........19

<table>
<thead>
<tr>
<th>CAPITAL AND LIABILITIES</th>
<th>Rs.</th>
<th>A.</th>
<th>P.</th>
<th>Rs.</th>
<th>A.</th>
<th>P.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAPITAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised Capital......</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued Capital..........</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscribed Capital......</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount called up at Rs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LESS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calls unpaid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ADD</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forfeited shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount paid up</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RESERVE FUND OR</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DEVELOPMENT FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ANY SINKING FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any other fund created out of net profits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any pension or insurance fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for bad and doubtful debts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans on mortgage or mortgage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debenture bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans otherwise secured</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Stating the nature of security)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INTEREST</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued on mortgages, debentures or other secured loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>UNCLAIMED DIVIDENDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For goods supplied</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROPERTY AND ASSETS</th>
<th>Rs.</th>
<th>A.</th>
<th>P.</th>
<th>Rs.</th>
<th>A.</th>
<th>P.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIXED CAPITAL EXPENDITURE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Distinguishing as far as possible between expenditure upon goodwill, land, buildings, lease-holds, railway sidings, plant, machinery, furniture, development of property, patents, trade marks and designs, interest paid out of Capital during construction, etc., and stating in every case the original cost and the total Depreciation written off under each head)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PRELIMINARY EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commission or Brokerage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Commission or Brokerage paid for underwriting or placing shares or debentures until written off)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>STORES AND SPARES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LOCKED TOOLS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LIVE STOCK</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>STOCK IN TRADE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Stating mode of valuation e.g., cost or market-value)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BILLS OF EXCHANGE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Book Debts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Distinguishing in the case of a Bank between those considered good and in respect of which the Bank is fully secured and those considered good for which the Bank holds no security other than the debtor's personal security, and distinguishing in all cases between</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
FORM F,
(See section 132.)

Balance-Sheet as at

**CAPITAL AND LIABILITIES.**

<table>
<thead>
<tr>
<th></th>
<th>Rs.</th>
<th>A.</th>
<th>P.</th>
<th></th>
<th>Rs.</th>
<th>A.</th>
<th>P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised Capital</td>
<td></td>
<td></td>
<td></td>
<td>shares of Rs. ...</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Distinguishing between the various classes of Capital.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued Capital</td>
<td></td>
<td></td>
<td></td>
<td>shares of Rs. ...</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Shares issued as fully paid up pursuant to any contract without payments being received in cash ... shares of Rs. ... each.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Shares issued for payments in cash ... shares of Rs. ... each.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscribed Capital</td>
<td></td>
<td></td>
<td></td>
<td>shares of Rs. ...</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount called up at Rs. per share</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less—Calls unpaid—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) due from Managing Agents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) due from others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add—Forfeited shares (amount paid up)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note.—Where circumstances permit issued and subscribed capital and amount called up may be shown as one item, e.g., Issued and Subscribed Capital ... shares of Rs. ..., each. Rs. ..., paid up.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debentures stating the nature of security</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PROPERTY AND ASSETS.**

<table>
<thead>
<tr>
<th></th>
<th>Rs.</th>
<th>A.</th>
<th>P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Capital Expenditure—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Distinguishing as far as possible between expenditure upon good will, land, buildings, lease-holds, railway sidings, plant, machinery, furniture, development of property, patents, trade marks and designs, interest paid out of Capital during construction, etc., and stating in every case the original cost and the additions thereto and deductions therefrom during the year, and the total Depreciation written off under each head. Where sums have been written off on a reduction of capital or a revaluation of assets every balance-sheet after the first balance-sheet subsequent to the reduction or revaluation shall show the reduced figures, with the date of and the amount of the reduction made.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preliminary Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commission or Brokerage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Commission or Brokerage paid for under-writing or placing or subscribing shares or debentures until written off)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount allowed on the issue of shares or so much as has not been written off at the date of the balance sheet.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores and spare parts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loose Tools</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Live-stock and vehicles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock in trade</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
For Acceptances

... Other Finance

**Advance Payments and Unexpired Discounts** *(For the portion for which value has still to be given, e.g., in the case of the following classes of companies—Newspaper, Fire Insurance, Theatre, Club, Banking, Steamship Companies, &c.)*

**Profit and Loss**

- Balance as per previous Balance-sheet
- Less—Appropriation thereof
- Balance brought forward
- Profit since last Balance-sheet

*(N.B.—These details need not be given if the same be contained in a Profit and Loss account attached to the Balance-sheet).*

**Contingent Liabilities**

- Claims against the Company not acknowledged as debts
- Moneys for which the Company is contingently liable
- Arrears of Cumulative Preference Dividends

| Debits considered good and debts considered doubtful or bad. Debts due by Directors or other officers of the company or any of them either severally or jointly with any other persons to be separately stated in all cases. |
|---|---|---|---|
| Advances
  *(Recoverable in cash or in kind for value to be received, e.g., Rates, Taxes, Insurance, etc.)* |
| Investments
  *(Nature of Investment and mode of valuation, e.g., cost or market-value)* |
| Interest accrued on Investments |
| Cash and other Balances
  *(Amount in hand, Balances with Agents and Bankers (in detail showing whether on deposit or current account, etc.)* |
| Profit and loss (giving, in the case of a debit balance, details as far as possible as in the case of a credit balance)* |
| Any Sinking Fund | ... ... | ... ... | (Stating mode of valuation, e.g., cost or market value.) |
| Any other Fund Created out of Net Profits, including any development fund. | ... ... | ... ... | Bills of exchange ... ... ... |
| Any Pension or Insurance Fund | ... ... | ... ... | Book Debts ... ... ... |
| Provision for Bad and Doubtful Debts | ... ... | ... ... | (Distinguishing between those considered good and in respect of which the company is fully secured and those considered good for which the company holds no security other than the debtor's personal security, and distinguishing between debts considered good and debts considered doubtful or bad. Debts due by directors or other officers of the company or any of them either severally or jointly with any other persons to be separately stated.) |
| Loans— | ... ... | ... ... | Advances ... ... ... |
| (a) Secured— | ... ... | ... ... | (Recoverable in cash or in kind or for value to be received, e.g., Rates, Taxes, Insurance, etc., showing separately—)
| (i) loans on mortgages or fixed assets | ... ... | ... ... | (i) loans given to subsidiary companies, |
| (ii) loans on debentures | ... ... | ... ... | (ii) loans including temporary advances made at any time during the year to directors or managers of the company) ... ... ... |
| (iii) loans from banks, stating the nature of security | ... ... | ... ... | Investments ... ... ... |
| (iv) liabilities to subsidiary companies | ... ... | ... ... | (Showing nature of investments and mode of valuation, e.g., Cost or Market value and distinguishing—)
<p>| (v) other secured loans, stating the nature of security | ... ... | ... ... | (i) investments in Government or trust securities ... ... ... |
| (vi) interest accrued on mortgages, debentures or other secured loans | ... ... | ... ... | (ii) investments in shares, debentures or bonds (showing separately shares fully paid up and partly paid up) ... ... ... |
| (b) Unsecured— | ... ... | ... ... | (iii) investments in shares, debentures or bonds of subsidiary companies ... ... ... |
| (i) loans from banks | ... ... | ... ... | (iv) immovable properties ... ... ... |
| (ii) fixed deposits | ... ... | ... ... | Interest accrued on Investments |
| (iii) short-term loans | ... ... | ... ... | Cash and other Balances ... ... ... |
| (iv) advances by directors or managing agents | ... ... | ... ... | Amount to hand |
| (v) interest accruing but not due and interest accrued and due | ... ... | ... ... | Balances with Agents and Bankers (in detail showing whether on deposit or current account, etc.) ... ... ... |</p>
<table>
<thead>
<tr>
<th>Profit and Loss</th>
<th>...</th>
<th>...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingent Liabilities</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Claims against the company not acknowledged as debts</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Money for which the company is contingently liable (Showing separately the amount of any guarantees given by the company on behalf of directors or officers of the company.)</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Arrears of Cumulative Preference Dividends</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

The information required to be given under any of the items or sub-items in this Form if not included in the Balance-Sheet itself shall be furnished in a separate Schedule or Schedules to be attached to and to form part of the Balance-Sheet.
New Sch. III] COMPANIES ACT (VII OF 1913 AM. BY ACT XXII OF 1936) CCIII.

FORM H.

(See section 277.)

INFORMATION TO BE SUPPLIED IN OR IN ADDITION TO THE INFORMATION CONTAINED IN THE BALANCE-SHEET OF A COMPANY REFERRED TO IN PART X.

Liabilities.
1. Summary of Authorized Share Capital and Issued Share Capital.
2. Redeemable Preference Shares, stating date on or before which the shares are or are liable to be redeemed.
4. Redeemed debentures which the Company has power to re-issue.
5. Loans (a) secured, stating the nature of the Security;
   (b) unsecured.
6. Loans from Banks —
   (a) Secured, stating nature of security,
   (b) Unsecured,
7. Profit and Loss Account, showing (unless disclosed in a separate account):—
   Balance as per previous Balance-Sheet,
   Appropriation thereof,
   Profit since last Balance-Sheet.
8. Contingent Liabilities.
9. Arrears of Cumulative Preference Dividend,

Assets,
1. Fixed Assets, with sufficient particulars to disclose their general nature, and stating how their values are arrived at.
2. Preliminary expenses, so far as not written off.
3. Any expenses incurred in connection with any issue of Share Capital or Debentures, so far as not written off.
4. If it is shown as a separate item in or is otherwise ascertainable from the books of the Company, or from any contract for the sale or purchase of any property to be acquired by the Company, or from any documents in the possession of the Company relating to the stamp duty payable in respect of any such contract or the conveyance of any such property the amount of the goodwill and of any patents and trade marks as so shown or ascertained.
5. Interest paid on Capital, so far as not written off, showing the Share Capital on which and the rate at which interest has been paid out of Capital during the period to which the accounts relate.
6. Discount allowed on Shares issued, so far as not written off.
7. Commission paid or allowed in respect of any shares or debentures, so far as not written off.
8. Loans outstanding to enable employees or trustees on their behalf to purchase shares in the Company.
9. Particulars showing:—
   (a) the amount of any loans which during the period to which the accounts relate have been made either by the Company or by any other person under a guarantee from, or on a security provided by, the Company to any director or officer of the Company, including any such loans which were repaid during the said period; and
   (b) the amount of any loans made in manner aforesaid to any director or officer at any time before the period aforesaid and outstanding at the expiration thereof; and
   (c) the total of the amount paid to the directors as remuneration for their services, inclusive of all fees, percentages, or other emoluments, paid to or receivable by them by or from the Company or by or from any subsidiary Company.

Note (1).—There shall not be required to be shown:—
(a) in the case of a Company the ordinary business of which includes the lending of money, loans made by the Company in the ordinary course of its business;
(b) loans made by the Company to any employee of the Company if the loan does not exceed twenty thousand rupees and is certified by the directors of the Company to have been made in accordance with any practice adopted or about to be adopted by the Company with respect to loans to its employees.

Note (2).—The foregoing shall not apply in relation to a Managing Director of the Company, and in the case of any other director who holds any salaried employment or office in the Company there shall not be required to be included in the said total amount any sums paid to him except sums paid by way of directors' fees.

(When a company is a holding company then the Balance-Sheet shall disclose the particulars required by section 182A.)
A.—STATEMENT OF OBJECTS AND REASONS.

For some considerable time Government has had under consideration the overhaul of the law relating to companies.

2. Substantial material has accumulated in the form of communications and suggestions from Local Governments, public bodies and individuals, supplemented by publications in the press, indicating unanimity of opinion that the Indian Companies Act requires fairly extensive changes. The opinions received disclose a demand for power to deal with mushroom and fraudulent companies, for changes in the provisions relating to the issue and contents of prospectuses, for increased disclosure to shareholders of the financial position of companies and for increased rights to shareholders in connection with the management of companies, for modification of the present law applicable to managing agents, for changes in the provisions applicable to winding up, for special provisions to govern banking companies and for numerous other improvements.

3. The Indian Companies Act, 1913, was based on the English Companies Consolidation Act of 1908, and followed generally the provisions of that Act. Its revision in order to overtake subsequent developments in the law is overdue.

4. The English Act of 1908 was examined by a committee presided over by Lord Wrenbury in 1918, and again by a committee presided over by Mr. Greene, K. C., in 1926. The latter committee made extensive recommendations many of which were subsequently incorporated with or without modification in the Companies Consolidation Act, 1929. The guidance afforded by that Act is now available in the task of revising the company law of British India.

5. In September, 1934, the Government of India placed a lawyer with experience in the administration of company law on special duty to examine the material collected and to make proposals for the amendment of the Indian Law. Those proposals were further discussed by a small committee of business experts specially convened for the purpose. Out of these proposals and discussions there have crystallized the amendments now proposed.

6. The revision of the law in England took the form of a consolidating Act which completely replaced the Act of 1908. This course has not been followed here. The arrangement adopted in the new English Act has attracted unfavourable criticism to an extent which does not encourage its adoption, and there are manifest advantages in retaining the form of the existing Indian Act with the administration of which the Courts are now familiar, even though the additions to it by this Bill are extensive.

7. In the amendments proposed, the lines followed in the overhaul of the English law have in accordance with the policy followed in the past been adopted in the amendments now proposed where the problems dealt with are
COMPANIES (AMENDMENT) ACT, XXII OF 1936.

Clause 2. The introduction of certain new terms in the Act has rendered further definitions necessary. The revised definition of "private company" follows the definition in section 26 of the English Act.

Clause 4 applies to a memorandum the requirements laid down by section 9 of the English Act for articles.

Clause 5. The alteration made is suggested by the wording of section 17 of the English Act.

Clause 6. In certain decisions it has been doubted whether in the absence of express provisions in the memorandum a company is competent to alter its objects so as to enable it to perform the acts here referred to. Section 5 of the English Act makes express provision for this purpose and has been adopted by this clause.

Clause 7. It is desired to make generally applicable certain provisions usually made by the articles of properly managed companies as to polls, absence of restrictions on form of proxies, retirement of directors by rotation, inspection of accounts, details shown in profit and loss accounts and the giving of notice to members. This clause makes the adoption of the model regulations on this subject contained in Table A compulsory.

Clause 8. The amendment limits, on the lines of section 22 of the English Act, the liability of a member of a company under alterations made in the memorandum after he has become a member of the company.

Clause 9 follows section 24 of the English Act in providing that the memorandum should show all changes made therein.

Clause 10 follows section 18 of the English Act in limiting the exceptions now enjoyed by certain associations formed not for profit.

Clause 11 follows section 56 of the English Act in requiring an index of the names of members of a company in certain cases.

Clause 12. Sub-section (1) of section 32 does not clearly show when the first list of members is to be prepared if a company is incorporated towards the end of a year. The words "first or only ordinary general meeting" have also given rise to confusion. The amendment is designed to remove this uncertainty and confusion.

Clause 13. The Act does not lay down the procedure for the transfer of shares and this is generally provided for in the articles of the company. Undue restrictions upon transfers and undue delay in registering transfers are not

B.—NOTES ON CLAUSES.

Clause 2. The introduction of certain new terms in the Act has rendered further definitions necessary. The revised definition of "private company" follows the definition in section 26 of the English Act.

Clause 3 provides the sanction for enforcing observance of the provisions of section 4.

Clause 4 applies to a memorandum the requirements laid down by section 9 of the English Act for articles.

Clause 5. The alteration made is suggested by the wording of section 17 of the English Act.

Clause 6. In certain decisions it has been doubted whether in the absence of express provisions in the memorandum a company is competent to alter its objects so as to enable it to perform the acts here referred to. Section 5 of the English Act makes express provision for this purpose and has been adopted by this clause.

Clause 7. It is desired to make generally applicable certain provisions usually made by the articles of properly managed companies as to polls, absence of restrictions on form of proxies, retirement of directors by rotation, inspection of accounts, details shown in profit and loss accounts and the giving of notice to members. This clause makes the adoption of the model regulations on this subject contained in Table A compulsory.

Clause 8. The amendment limits, on the lines of section 22 of the English Act, the liability of a member of a company under alterations made in the memorandum after he has become a member of the company.

Clause 9 follows section 24 of the English Act in providing that the memorandum should show all changes made therein.

Clause 10 follows section 18 of the English Act in limiting the exceptions now enjoyed by certain associations formed not for profit.

Clause 11 follows section 56 of the English Act in requiring an index of the names of members of a company in certain cases.

Clause 12. Sub-section (1) of section 32 does not clearly show when the first list of members is to be prepared if a company is incorporated towards the end of a year. The words "first or only ordinary general meeting" have also given rise to confusion. The amendment is designed to remove this uncertainty and confusion.

Clause 13. The Act does not lay down the procedure for the transfer of shares and this is generally provided for in the articles of the company. Undue restrictions upon transfers and undue delay in registering transfers are not
uncommon. The section now introduced while leaving a discretion with the directors to refuse transfer requires for a transfer application either by the transferor or the transferee, notice by the transferee in the case of an application by the transferor, the use of the proper instrument of transfer required by the company in the case of an application by the transferee, and notice within a limited time to a proposed transferee. It also prescribes the time limit within which an objection by a transferee may be made or a refusal to register a transfer must be communicated.

Clause 14. Under the English law it is a misfeasance on the part of directors knowingly to allot shares to an infant, while shares held by an infant by an order of Court and shares held by a lunatic can only be transferred pursuant to an order in lunacy. The proposed new section aims at preventing such person from coming into possession of shares.

Clause 15 follows the English Act, section 98, sub-section (2), in laying down a time limit within which a requirement by a member must be complied with.

Clause 16 provides a time limit for a rectification of the register of members ordered by the Court.

Clause 17. The issue of bearer share warrants is not compatible with the provision contained in new section 2 (1) (13) (a). Section 45 should, therefore, apply to private companies.

Clause 18. The Act at present allows alteration of capital to be effected by the directors and requires only an alteration involving subdivision of shares to be made in general meeting. One consequence is that the registrar's office has no record of alterations of capital made by directors. This clause brings the law into accord with section 50 of the English Act.

Clause 19 and 20. The utilisation of the funds of a company in the purchase of its own shares has the result of reducing its capital and is prohibited by sub-section (1) of section 55. The prohibition is circumvented in some cases by advancing money out of the company's funds to nominees who acquire the shares. The proposed section 54A follows section 45 of the English Act in forbidding this subterfuge. Sub-section (1) of existing section 55 is transferred to the new section now introduced.


Clause 22. The existing section of the Act does not lay down any time within which the registered office is to be set up or notice of its situation or any change of its situation is to be given. This clause adopts section 92 of the English Act.

Clause 23. Compare section 112 of the English Act and clause 12 of this Bill.

Clause 24. The new section follows generally the lines of section 113 of the English Act. It extends the obligation to hold a statutory general meeting to all companies having a share capital. "Ten days" has been substituted for "seven days" as the period for which the report is to be in the hands of members under sub-section (2), and further requirements have been added by clause (f) and (g) of sub-section (3). Provision has also been introduced authorising certification of the report by the chairman of the directors.

Clause 26.

The new section is based on section 115 of the English Act, but whereas that section allows of its provisions being overridden by the provisions made in the articles of the company, the section here makes certain provisions such as those governing the notice to be given for special resolutions, the manner of service of notices, the number of members entitled to demand a poll and the form of proxy instruments incapable of variation.

Clause 27.

Amends section 81 of the Act in the lines of section 117 of the English Act, that is to say, abolishes the necessity for the confirmation of a special resolution by a second general meeting, but requires 21 days' notice to be given of the meeting at which the special resolution is passed.

Clause 28.

The objects of this amendment is to secure the correctness of the records preserved in the registrar's office.

Clause 29.

Increases the minimum number of directors of a company.

Clause 30.

The objects of this amendment is to secure the correctness of the records preserved in the registrar's office.

Clause 31.

This amendment is intended to secure greater independence to the directors by limiting the number of nominated or ex-officio directors.

Clause 32.

The first amendment slightly widens the application of the section, the second makes it applicable to companies which have no separate articles of association of their own but adopt Table A; the third renders it inapplicable to companies which began as private companies.

Clause 33.

The clause introduces certain new sections for the control of directors. Section 86-A reproduces section 192 of the English Act. Section 86-B follows section 131 of the English Act in controlling the practice of directors assigning their responsibilities. Section 86-C follows section 152 of the English Act. Section 86-D prohibits or limits the making of loans to directors and provides that any loans made shall be disclosed in the balance-sheet, the form of which as laid down in the Third Schedule has been correspondingly amended by clause 100. Section 86-E prevents directors from holding offices of profit under the company while section 86-F disqualifies them from acting as trustees for debenture holders. Section 86-G follows section 148 of the English Act in requiring directors' remuneration to be disclosed. Section 86-H and section 86-I include in the Act provision for removal of or vacation of office by directors instead of leaving these matters to be provided for in the articles by some such regulations as regulation 80 and regulation 77 of Table A.

Clause 34.

The substituted section 87 follows section 144 of the English Act. It provides that the register of directors and managers shall be kept corrected and shall be open to inspection.

Clause 35.

This clause introduces a series of new sections dealing with managing agents. Section 87-A limits the terms for which they may be appointed and may continue to act without re-appointment. Section 87-B provides for their removal, controls the transfer of office by them, prohibits assignments of their remuneration and gives the company certain powers of control over them. Section 87-C lays down the method by which the remuneration of managing agents shall be fixed in companies other than insurance companies. Section 87-D makes provision in respect of managing agents, similar to that made by new section 86-D in respect of directors, for controlling loans by the company to its managing agents. Section 87-E controls the making of loans between companies under the same management. Sections 87-F, 87-G and 87-H introduce further provisions for control of managing agents.
NOTES ON CLAUSES

Clause 36 inserts a time limit within which the information required by section 91C is to be given to members of a company.

Clause 37 provides that copies of contracts by agents of the company in which the company is an undisclosed principal shall be sent to the directors and auditors in advance.

Clause 38 provides for the disclosure in the prospectus of a company of certain details indicated in the amendments contained in the clause which have not hitherto been required to be so disclosed.

Clause 39 inserts a penalty for the issue of a prospectus which fails to comply with the provisions of section 93.

Clause 40 introduces section 38 of the English Act by which a document containing an offer of shares is to be deemed a prospectus.

Clause 41 introduces the provisions of section 39 of the English Act and is aimed at discouraging floating of companies with insufficient capital.

Clause 42. The amendment excludes forfeited shares subsequently re-issued from the purview of the section.

Clause 43. The amendment is consequential.

Clause 44 inserts section 47 and section 46 of the English Act.

Clause 45.—Under the existing provisions of the Act a charge or mortgage created over moveable property of the company other than book debts or the uncalled share capital need not be registered. The first amendment requires such charges or mortgages to be registered with certain qualifications. The second amendment is designed to affect transferees with notice as from the date of the registration.

Clause 46 inserts section 51 of the English Act.

Clause 47 provides for the registration of charges when modified.

Clause 48 inserts the provisions of section 308 of the English Act.

Clauses 49, 50 and 51—Section 121 of the Act as it stands empowers the registrar on proof of satisfaction of a mortgage or charge to record the satisfaction in the register. It is not, however, obligatory on a company or the mortgagee to have such satisfaction recorded and the records of the registrar may accordingly remain incomplete. The amendments made by these clauses remedy this defect.

Clause 49. It has been doubted whether the provisions of section 123 apply to floating charges in view of the fact that such charges do not affect property until the charges are crystallized. The amendment makes the intention of the section clear.

Clause 50 substitutes section 122 of the English Act for the existing section.

Clause 51 introduces the substance of sub-section (1) of section 123 of the English Act and makes the section applicable to all companies.

Clause 52 inserts the provisions contained in sub-section (2) of section 123 of the English Act regarding the report by the Directors.

Clause 53 adopts the provisions of section 126 of the English Act.
Clause 58 applies the penalty provided by sub-section (4) of section 131 of the existing Act to defaults under that section and sections 132 and 132A.

Clause 59. The amendment is consequential.

Clause 60. The first amendment provides for intervention by the Court to secure production of documents for the information of the registrar; the second extends the powers of the registrar and makes the section applicable to documents required by a liquidator.

Clause 61 introduces provisions based on section 136 of the English Act.

Clause 62 provides for charging the expenses of an investigation undertaken in consequence of a report by the registrar to the company itself.

Clause 63 supplements the duties of auditors and gives them power of attending meetings to explain the accounts

Clause 64 gives the trustees for debenture-holders the right to receive and inspect the balance sheets and auditors' reports.

Clause 65 allows stay of suits while a compromise or arrangement between a company and its creditors is pending.

Clause 66 makes sections 154 and 155 of the English Act dealing with arrangements and reconstructions.

Clause 67 substitutes a section in the terms of section 27 of the English Act for the existing section.

Clause 68 amends the provisions relating to the manner of serving on a company a demand for payment of debt.

Clause 69 gives power to the registrar to apply for the winding up of a company and defines the circumstances in which the power may be exercised.

Clause 70 provides that notice of a Court's order for winding up shall be sent to the official receiver.

Clause 71. Under the existing law it is only after a winding up order has been made that proceedings against a company are stayed. The amendment follows the English Act in providing that the appointment of a provisional liquidator should operate as a stay.

Clause 72. Inconvenience has been experienced through the office of official liquidator remaining vacant after winding up order has been made. This clause is designed to secure that a public official shall automatically become the liquidator until some other person is appointed by the Court and can undertake the work.

Clause 73. Under section 172, as it stands, the duty of filing with the registrar a copy of the winding up order is laid on the company. It is now laid on the petitioner.

Clause 74, 75 and 77 are consequential on clause 71.

Clause 76 inserts sections 181 and 182 of the English Act.

Clause 77. The new section 178A is based on section 199 of the English Act.

Clause 78. The sub-sections added to section 182 reproduce section 195 of the English Act.

Clauses 80 and 81.—The amendments are consequential.
Clause 82 substitutes for 13 sections of the existing Act dealing with the winding up of companies the provisions of sections 230 to 255 of the English Act. New section 215E, corresponding to section 253 of the English Act, has however been slightly expanded.

Clause 83.—It is equitable that compensation payable under the Workmen’s Compensation Act should not be treated as an ordinary debt provable in the winding up but should have priority. This view is taken in England. The expenses of an investigation held in pursuance of clause (iv) of section 138 are now charged to the company, vide clause 62.

Clause 84 inserts section 297 of the English Act which gives a liquidator power, corresponding to that of a trustee in bankruptcy, to disclaim land burdened with covenants, unprofitable contracts and property which is unsaleable.

Clause 85. The existing section has been construed as not covering sales held after the winding up. The amendment is designed to forbid such sale.

Clause 86. Sub-section (3) of the existing section by applying to an application under the section the limitation imposed on a suit allows delinquent directors in many cases to evade their civil liabilities. The amendment allows three years for the making of an application dating from the first appointment of a liquidator.

Clause 87 substitutes the more adequate provisions of section 277 of the English Act for existing section 237.

Clause 88 follows section 271 of the English Act in providing for the punishment of offences antecedent to or in the course of a winding up.

Clause 89 provides that the interim report of the liquidator shall be submitted to the Court or the registrar, as the case may be, but that a copy should in any case be given to the registrar and defines the times when the report shall be made. The form, and the particulars to be contained in these statements are prescribed by the High Courts, which have followed rules 193 to 195 of the English Companies (Winding Up) Rules, and have prescribed a form similar to the English Form 92 drawn up under those Rules.

Clause 90 inserts a section based on section 194 of the English Act requiring the liquidator to lodge moneys received during a winding up in the Imperial Bank and prohibiting him from paying any such moneys into his private accounts.

Clause 91 rectifies an omission in the rule making powers of High Courts.

Clause 92 reproduces section 135 of the English Act dealing with the enforcement of the duty of a company to submit returns and documents to the registrar.

Clause 93 inserts the provisions contained in section 338 (2) of the English Act providing for the winding up of companies incorporated outside British India.

Clause 94 inserts the provisions of section 347 of the English Act and requires the balance-sheets of companies incorporated outside British India to comply with the same requirements as those of companies registered in British India.

Clause 95.—New sections 277A and 277B reproduce sections 354 and 355 of the English Act and regulate the issue of prospectuses on behalf of companies incorporated outside British India. Sections 277C and 277D follow...
COMPANIES (AMENDMENT) ACT, XXII OF 1936.

Section 90 of the English Act in making applicable to such companies the provisions of the Act which relate to registration of charges and registration of the appointment of a receiver.

Clause 96 inserts a new part containing special provisions applicable to banking companies. Section 277K defines what a "banking company" is. Section 277F restricts the activities of such companies to ordinary banking transactions. Section 277G forbids for the future the employment of managing agents. Section 277H ensures adequate working capital before business is commenced. Section 277I and 277J require, respectively, a reserve fund and an adequate cash reserve to be maintained. Section 277K gives effect to the recommendations of the Central Banking Enquiry Committee that provision should be made for a moratorium to save from liquidation a banking company in temporary difficulties.

Clause 97 introduces a new section penalising misapplication of the property of a company by an officer or employee and a section designed to prevent misuse of securities lodged with a company by its employees under their contracts of service, and to safeguard provident funds.

Clause 98 makes amendments in certain of the model regulations in Table A which under the amendment made by clause 7 must be adopted by all companies.

Clause 99 substitutes for the existing form of a statement in lieu of prospectus the form now contained in the English Act.

Clause 100 incorporates in the form of balance-sheet the additional particulars which are considered necessary in order that the balance-sheet shall fully disclose the position of the company's affairs.

C.—REPORT OF THE SELECT COMMITTEE.

We, the undersigned, members of the Select Committee to which the Bill further to amend the Indian Companies Act, 1913, for certain purposes was referred, have considered the Bill and the papers noted in the margin, and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

The insertion of several new clauses in the Bill has necessitated renumbering of the clauses. References in our Report are to the numbers of the clauses and sections as they appeared in the Bill as introduced. The revised number of the clause appears in the margin of the Report in each case where a change has occurred.

The more important of the alterations we have made in the Bill are set out in the notes on individual clauses that here follow.

Clause 2. Sub-clause (a).—Definition of 'manager' and 'managing agent'.

—The existence of many special provisions applying to managing agents
renders it advisable that the terms should be separately defined. We have evolved definitions intended to differentiate managing agents from managers, instead of merely including the former in the definition of the latter.

Sub-clause (b).—We consider it unnecessary to provide for the inclusion among the members of a private company of persons who have left the employment of the company, and consider that such a provision might enable the number of members to be undesirably enlarged. The other amendment takes into consideration the fact that some private companies have no share capital.

In the proposed sub-section (2) of section 2 containing the definition of subsidiary company we have made an alteration designed to include in the definition of subsidiary company a company which is a sub-subsidiary company, and we have excluded, for the purposes of computing the interest of the holding company in a subsidiary, shares held only as security for a loan granted by a company whose ordinary business includes the lending of money.

Clause 3.—A drafting error has been corrected.

Clause 4.—The words inserted by us merely provide for what is generally done in practice. A similar provision has been inserted in section 19 of the Act by new clause 7A.

Clause 5.—We consider it inadvisable to leave to the registrar the function assigned to him in clause (c) of sub-section (3) of section 11. Clause (c) has been omitted because the provisions contained in section 47 of the Co-operative Societies Act, 1912, already secure the object aimed at by this clause.

Clause 7.—We have altered the wording so as to obviate the necessity of companies altering their articles to contain the regulations now made compulsory. We have also included regulation 25 among the compulsory articles. We have exempted private companies except the special class consisting of subsidiaries of public companies from the necessity of adopting regulation 78.

Clause 7A.—See note on clause 4.

Clause 8A.—We have inserted a time limit in section 25 for compliance with a request made under that section.

Clause 9.—The insertions make the section applicable also to articles and enable sections 50 (4) and 71 (2) and (3) to be almost entirely repealed. The insertion of the words "knowingly" and "wilfully" has been made here and elsewhere to ensure that an unintentional default is not to be penalised.

Clause 10.—The principal changes extend the time for the preparation and submission of the first return required under the section, provide for the inclusion of some additional items in the summary, and incorporate the provisions of section 111 of the English Act relating to private companies.

Clause 11.—We have confined the provision relating to notice to a transferee to those cases, where the shares transferred are shares not fully paid up, and have shortened the time within which objection can be taken. We have made a supplementary provision as to service of notice. The new sub-section (2) of section 31 makes it clear that there is no intention in anything contained in the section to affect the right of a company to refuse to register a transfer of shares, where that right exists by virtue of the articles. Other changes are minor drafting corrections.
Clause 14.—We have omitted this provision, as unnecessary.

16 Clause 15.—The first change inserts an amendment which was inadvert­ently omitted consequential on the new section 31A. He have extended the time allowed for compliance with a request for a copy of the register, and have added in sub-section (4) of section 26 a provision enabling the Court to enforce compliance with such a request where there is undue delay.

17 Clause 15A.—We have extended the time during which the register of members may be closed, to make more generous allowance for those cases in which it is closed at two separate times during the year.

18 Clause 16.—“Completion” has been substituted for “making” to provide for the intermediate period which according to the practice in certain Courts elapses before the order made is really available to the company.

20 Clause 18.—We have brought the provision of the law into conformity with the English Act which does not require a special resolution but only the authority of the company in general meeting for a change in the memorandum. We have omitted sub-sections (b) and (c) of section 50 in view of the new section 25A. We have also provided that notice shall be given at an early date to the registrar of any change in the memorandum relating to the sub­division or cancellation of shares.

21 Clause 18A.—A consequential amendment omitted in the Bill has now been inserted.

22 Clause 19.—We have omitted clauses (b) and (c) of the proviso to sub­section (9) of section 54 because we think those provisions might lend themselves to abuse. The omission of sub-section (9) is consequential on this decision.

24 Clause 20A.—The second sub-clause substitutes the date of the presenta­tion of the petition for the Court’s order confirming the reduction of shares as the date after which the words indicating the reduction are to bc appended to the name of the company. The first merely makes an amendment omitted inadvertently in the Bill, necessary since confirmation of special resolutions has been abolished.

26 Clause 21, section 66A.—We have altered the periods specified in the first and second sub-sections, and in the fifth we have inserted the more reasonable provision that the date of service on the company of the order made should be the date from which time should run against the company.

27 Clause 21A.—The words and sub-section omitted are no longer necessary in view of new section 25A.

29 Clause 23.—We think eighteen months from incorporation is a reason­able limit to fix for the holding of the first annual meeting.

30 Clause 24, section 77.—We have substituted more extended periods of time in the first two sub-sections. We have supplemented in certain respects the information required to be given in the statutory report.

31 Clause 25.—The change made provides for an amendment of a conse­quential nature which was inadvertently omitted in the Bill.

32 Clause 26.—We have provided specifically that agenda must accompany the notice of a general meeting, and have amplified the provisions relating to demand for a poll. We have added a provision to deal with a practice said to be not uncommon of denying to shareholders duly brought on the register
the full exercise of their rights as shareholders until after a specified period. We have increased the quorum for a general meeting of a public company, where other provision is not made in the article, to five.

Clause 27.—The addition made carries out a small consequential amendment in the Act necessitated by the changes made by the Bill.

Clause 28.—The first change inserts a consequential change in the Act necessitated by the abolition of confirmation of extraordinary resolutions. The word "principal" has been omitted before "officer" as unnecessary and not in accord with the phraseology of the Act.

Clause 29, section 83.—In new sub-section (4) we have allowed a period of seven days from the meeting for the preparation of the minutes, as we understand this task is sometimes entrusted to solicitors or others and is not always completed without some delay. The other changes made are mere drafting improvements.

Clause 30.—The change made gives effect to our decision that private companies which are subsidiaries of public companies should not enjoy the exemptions reserved to private companies by certain provisions of the Act, e.g., sections 86D, 87C, 87D, 91B (3), 91D, and sub-sections 144 (1) and 144 (4).

Clause 31.—We have altered proposed sub-section (3) of section 87B to ensure that while the number of directors who can be appointed by the managing agent is limited to one-third of the whole number, a minimum of one-third must be appointed by the members of the company in general meeting. This provision is to be read in conjunction with clause 7 of the Bill which makes the provisions of article 78 of Table A applicable to all companies ensuring that all first directors of a company must retire at the first ordinary meeting of the company.

Clause 32.—The change made brings the provisions of section 84 (1) into accord with section 160 (1) of the English Act.

Clause 32A.—See note on section 86 I under clause 33.

Clause 33.—Sub-section (1) of section 86A has been altered so as to apply only to directors, managing agents or managers and the word "bankrupt" has been replaced by the expression in use in this country. The words excluded from sub-section (2) have no ascertainable meaning in the Act.

Section 86D.—The provision makes it clear that temporary appointments of alternate or substitute directors do not constitute an assignment of office, when made with the approval of the board of directors.

Section 86D has been revised to forbid loans of any kind to a director, and provision has been made for punishment of a breach of the section. The section has been made inapplicable to certain classes of private companies and to banking companies.

In section 86E the words "legal or technical adviser" have been substituted for "solicitor" and a proviso has been added to save from the operation of the section offices of profit held by directors elected or appointed before the amending legislation comes into force.

Section 86F forbidding the appointment of a director as trustee for debenture-holders was omitted as unnecessary.
Section 86G was considered in the light of the provisions contained in clause 56 (amendment of section 132) and clause 7 (incorporating article 107 of Table A). We consider retention of this section unnecessary in view of the provisions inserted by clause 56, in which we have now included a reference to directors nominated by company to another company.

Section 86H (now 86F).—We have exempted from the operation of the section directors appointed prior to the commencement of the Amending Act.

Section 86I (now 86G).—We have inserted here as clause (a) the provisions contained in sub-section (2) of section 85 and have omitted that sub-section. In clause (f) we have provided that absence for three consecutive months or from three consecutive meetings if the period covered by the meetings extends to three months should disqualify a director, and we have added as an additional disqualification the taking of a loan from the company. The minor changes are drafting improvements.

Clause 34.—We have amplified the first sub-section of section 87 by including a reference to managers and managing agents, and providing for the case of firms. We have omitted sub-section (g) as unnecessary. The remaining changes made are minor corrections or self-explanatory.

Clause 35.—We have redrafted sub-section (2) of new section 87A so as to avoid a possible implication that a managing agent whose appointment would otherwise expire earlier might be entitled under the sub-section to continue in office for 20 years after the commencement of the Amending Act, and at the same time to show that re-appointment is possible. The proviso has been redrafted to refer specifically to loans made to the company, and to remuneration due from the company to the managing agent at the time of the termination of the managing agency, and to secure to the managing agent a lien on the assets of the company to provide for any claims made on him for liabilities undertaken by him on behalf of the company. We have made it clear that the termination of a managing agency contract under this section does not affect any right the managing agent may have to be compensated for the premature termination of his functions.

Section 87B.—We have altered clause (a) to provide that it shall be for conviction of a non-bailable offence committed in relation to the company that a managing agent may be removed, and have dealt with those cases in which the managing agent is a firm or company. We have provided in clause (b) that an ordinary resolution, instead of an extraordinary resolution should be sufficient for the approval of a transfer of office by a managing agent. In clause (d) we have provided that if the negligence or misconduct of the managing agent itself conduces to the winding up the managing agent shall be debarred from recovering compensation for the consequent termination of his contract. We have made it clear that clause (e) does not apply to appointments, etc., made before the Amending Act comes into force, and have also saved from its operation those preliminary appointments announced in a prospectus, which it would be impracticable to hold in abeyance until the first general meeting.

Section 87C.—We have saved from the operation of the first part of sub-section (1) those cases where a company appoints its first managing agents and sets forth the terms of remuneration in the prospectus. In order to effect this, the sub-section has been divided into two sub-sections, the second containing the conditional prohibition of remuneration additional to or in
any other form than that provided for by sub-section (1). In sub-section (3), formerly sub-section (2), we have included depreciation among the matters for which allowance is to be made in calculating net profits, and have supplemented these matters by the addition of certain other items. We have also excluded private companies, and insurance companies from the purview of the section.

Section 87D.—We have amended this section on the lines followed in our treatment of section 86D, so as to prohibit loans absolutely, and have here also inserted a penal provision. The amendment made in sub-section (2) explains itself. We have excluded private companies except those of one class from the operation of the section.

Section 87E.—The alteration made in sub-section (1) provides for excluding renewals of old loans or guarantees whose continuance may be essential to the survival of the company from the purview of the sub-section. A drafting amendment is made in the proviso. Sub-section (2) has been expanded to include a civil liability in addition to the penalty, which has been reduced in amount, and to apply the penalty directly to the director or officer at fault.

Section 87F.—The companies known as investment companies have been excluded from the operations of the section and the rather novel provision requiring approval by a special majority of the directors has been revised.

Section 87G.—The changes made are intended to clarify the meaning, without altering the effect of the section.

Section 87H.—We have recast this section. We feel that the reference to competitive business might render the provisions of the section too comprehensive, and we are disposed to take a cautious attitude in view of the fact that the section represents an entirely new departure.

Clause 35A.—The existing section 90 provides for empowering a person to execute deeds on behalf of a company in any place outside British India. We have made the section apply also to British India itself.

Clause 35B.—Sub-clause (a) makes a verbal correction.

Sub-clause (b).—We consider that some provision should be made to ensure that shareholders may obtain information about contracts in which directors of the company are interested. We have provided that a register shall be maintained to supply this information.

Clause 35C.—This inserts in section 91B a salutary provision, the equity of which has been recognised by the Courts.

Clause 35.—The first change made in the clause inserts in section 91C a reference to managing agents since these are not now included in the term manager. We have also slightly enlarged the time allowed for sending abstracts of the contracts concerned to members of the company.

Clause 37.—We have deleted the reference to auditors. We consider it unnecessary that they should receive copies of these contracts (contracts with undisclosed principals), which in some cases may be numerous.

Clause 38, section 93.—The change in sub-clause (a) (i) supplies a omission in the Bill, that in clause (a) (ii) supplies the necessary reference to managing agents. A new sub-clause (a) (iv) requires the prospectus to contain information about the under-writing of shares.
The chief change made in sub-clause (a) requires a balance-sheet to be prepared for a period of twelve months in respect of a business purchased or proposed to be purchased by the company, and to be appended to the prospectus.

We have inserted an amendment of clause (b) of sub-section (1) of section 93 of the Act to apply the provision regarding disclosure of commission to discount also.

The change in sub-clause (a) is intended to secure fuller information in respect of property purchased or to be purchased, for instance, as to the existence of charges on such property. The change in sub-clause (a) is self-explanatory.

In sub-clause (b) the first two changes made in proposed sub-section (IA) also aim at securing disclosure of fuller information, e.g., as to subsidiary companies, and the sources from which the purchased company has found the money for its recent dividends. Accountants are more clearly defined by the third change. The insertion of new sub-section (IB) is for the purpose of avoiding any difficulties in interpreting the word "profit". Sub-clause (c) makes a provision supplementary to section 154 (1) of the Act.

Clause 49.—A small inaccuracy has been corrected.

Clause 50.—The amendment is consequential on the alteration made in the Second Schedule.

Clause 51.—A small omission has been supplied.

Clause 52.—We have redrafted the section with the object of simplifying it by transferring the substance of the four clauses (a) to (d) to a new sub-section, and have omitted the words providing as an alternative for the minimum subscription the subscription of 33 1/3 per cent. of the offered share capital. We have omitted sub-section (2) of the section as drafted, considering that its provisions are superfluous.

Clause 53.—In proviso (a) to sub-section (1) we have added a third source from which funds for redemption of redeemable preference shares may be drawn. In sub-section (4) the change made supplies an omission which we have also rectified by the first change made in clause 38.

Clause 54.—The amendment is a small drafting correction.

Clause 55.—We consider it inappropiate that the registrar should have authority to determine whether the cause shown is satisfactory or not, or to decide any matter in dispute under the section. We have therefore provided that he should merely note the fact of dispute and inform the parties that he has done so.

Clause 56.—The amendment merely corrects a small inaccuracy of language.
cases where the company is not run by a managing agent. We have accordingly provided that the managing agent, where there is one, shall be responsible for securing compliance with this section.

Clause 54, section 131.—We have adopted the wording of section 123 of the English Act in preference to the opening words of sub-section (1) of this section as drafted. In sub-clauses (b) and (c) (iii) we have rectified a drafting oversight. We consider that the section need not apply to a private company and have secured this effect by our omission of sub-clause (c) (ii) of the section as drafted.

Clause 55.—No alterations.

Clause 56.—See notes on clause 7 and on section 86 in clause 33. We are of opinion that it is unnecessary that the profit and loss account should disclose the remuneration of a manager who is not a managing agent, but we think that the shareholders should have power by passing a special resolution to require this information to be included in the profit and loss account.

Clause 57.—We consider that the balance sheet, and profit and loss account of subsidiary companies and the auditor's report should be circulated along with the accounts of the holding company. We also consider that members of the holding company should be empowered to inspect the accounts of subsidiary companies, and should have rights in respect of them to demand investigation. We have made provision to this effect in this clause. We also consider that when the holding company is a public company subsidiary companies even if private companies should not enjoy exemptions from the provisions of sections 83A, 86D, 87C, 87L, 91B, 91D, 144 (1) and 144 (5) only. We have provided accordingly by amendments dealing with these provisions.

Clause 58.—The change made corrects an error in the drafting by which failure to issue a balance-sheet was inadvertently left unprovided for.

Clause 59.—A consequential amendment overlooked in the draft Bill is made by this new clause.

Clause 59.—The words added remove a possible ambiguity.

Clause 60.—We have amended the provisions to be inserted in section 137 by providing that action by the registrar shall be taken only after the company has been given an opportunity of explanation, and as a check on frivolous charges that the registrar shall disclose the identity of his informant if he finds the allegations made to be frivolous or vexatious.

Clause 61.—We have placed the proposed new section after section 141 of the Act. In sub-section (1) of the section we have named the Advocate General or the Public Prosecutor as the legal advisers to be consulted on the question of instituting prosecutions.

New Clause.—The amendment made by sub-clauses (a) and (c) carry out the decision referred to at the end of the note on clause 57 (now 68). That in sub-clause (b) gives to accountants holding certificates issued under section 144 of the Act the right to use the designation “Chartered Accountant”.

Clause 62.—We have inserted in section 145 a consequential amendment, the reference to profit and loss account which was inadvertently omitted in the draft Bill. Other minor changes are intended to clarify the wording of the section, but we have also added a provision requiring the auditor to explain the reasons for his opinion where he is unable to report that the accounts of the company are in thoroughly satisfactory order.
Clause 64.—The first change made introduces a consequential amendment overlooked in the draft Bill. The second limits the scope of the new proviso to public companies registered before the commencement of the Act.

Clause 65.—We have incorporated in section 153 the provisions of sub-sections (3) and (4) of section 184 of the English Act. We have added a new proviso aimed at simplifying the determination of the meaning of "creditors of the same class" in view of the judicial uncertainty that has manifested itself on this point. We have also specifically provided for appeal from orders made under the section.

Clause 66.—In sub-section (3) of new section 153A we have extended the time allowed for delivery of a copy of an order made under the section to the registrar, and have substituted the day of commencement of the winding up for the day of the making of the order as that from which the time will run. We have slightly relaxed the stringency of the requirements of section 153B.

Clause 67.—A separate form has now been included in the Second Schedule for use when a private company is converted into a public company. The first change made by us inserts a reference to this form. The second change is a small drafting correction in the interests of clarity.

Clause 67A.—We have amended section 159 in order to remove the difficulty created by the law as it stands, under which claims are frequently barred because the debt became payable at the time of call, which may have been more than three years before the winding up commenced. We think it should be provided that where calls have been made before the date of the winding up the cause of action against a defaulter should be regarded as arising at the commencement of the winding up on calls made after the commencement of the winding up the cause of action may properly arise from the date of the call.

Clause 67B.—We have inserted in section 160 of the Act a provision aimed at securing that a surviving coparcener of a Hindu joint family under Mitakshara law cannot escape liability under this section by asserting that he is neither an heir or a legal representative.

Clause 68.—We have substituted 'registered post' for ordinary post as the method of service of a demand under section 163, and have added some clarifying words to the provision dealing with the making of a demand on behalf of a firm.

Clause 69.—We consider that the Local Government should not sanction the presentation of a petition by the registrar for winding up a company without first hearing what the company has to urge to the contrary. We provided for this by a slight rearrangement of the amendment proposed to section 160, and by the addition of a proviso.

Clause 70.—We think the duty of filing with the registrar a copy of the winding up order should be on both the company and the petitioner.

Clause 71.—We have added a provision requiring notice to be served on the company before the Court appoints a liquidator.

Clause 72.—We have restored in sub-section (1) some necessary words found in the English Act, which appear to have been omitted inadvertently. We have slightly extended the time given to the liquidator under sub-section (1) of section 277B for submission of his preliminary report.
REPORT OF THE SELECT COMMITTEE

Clause 88, section 207.—The first change is a drafting correction. We have extended the period of time referred to in sub-section (1) from one year to three years. We have also provided that the directors' declaration of solvency must be supported by a report by the auditors of the company.

Section 209D.—We have provided that the liquidators' remuneration when left unfixed by the committee of inspection and the creditors shall be fixed by the Court.

Section 209X.—The oversight in the Bill in failing to fix a quorum for a creditors' meeting has been rectified.

Section 217.—We have inserted a specific saving of the rights of secured creditors, thereby merely expressing the law as at present interpreted.

Clause 83.—We have inserted amongst the items receiving priority in a winding up sums due to an employee from a provident fund. This supplements the provision made by section 253B (2)—which we have now amended—in the interests of provident fund subscribers.

Clause 85, section 250A, sub-section (6).—The words omitted were copied from the English Act but are inapt in reference to Indian conditions.

Clause 87.—We have provided that before a prosecution is launched against a suspected person he shall be given an opportunity to explain. The other changes made are consequential reproductions of changes determined on in previous clauses.

Clause 88, section 250A.—The first change is due to the new definition of manager which no longer includes managing agent. We have corrected an inaccuracy in the proviso to sub-section (1). The omission of sub-section (8) is in agreement with our omission of sub-section (6) of section 87 in clause 34.

Clause 89, section 254A.—We consider that the liquidator may be authorised to pay moneys received by him into Scheduled Banks. The powers given by the proviso to sub-section (1) and by sub-section (2) to the registrar and the Local Government can in our opinion be better exercised by the Court. We have recast sub-section (2) so as to apply to all windings up, and have expressed the liquidator's duty in a positive rather than a negative form.

Clause 90, section 254A.—We have enlarged the powers of the High Court to make rules. It is essential that their powers in this direction should be extended, in view of the various new forms of procedure introduced by the amendments made by the Bill.

Clause 94.—In view of the difficulty which is represented, would be experienced by certain companies incorporated abroad if they were required to prepare and file balance-sheets in the form required from companies incorporated in British India when the balance-sheet prescribed by the law under which they are incorporated is of a widely divergent nature, we have considered it sufficient to secure that they shall file with the registrar a copy of their own proper balance-sheet, but shall supplement it if necessary by further documents giving the information which is deemed essential and which has now been tabulated in a new Form inserted as Form H in the Third Schedule of the Act. Where any such company is not required by the law of the country in which it is incorporated to file a balance-sheet, the company must comply with the requirements of the British Indian Law in this respect.
We consider that the provision of the New Zealand Companies Act of 1933 requiring these companies to keep books of account in relation to the business done in the country where they are trading should be incorporated in the Act, and we have provided accordingly by an addition to proposed section 377D.

We have also incorporated the provisions of section 348 (j) of the English Act regarding full disclosure of the fact that the liability of the members of any such company is limited.

Clause 95.—We have made no change except three minor drafting corrections, and the change necessary to give effect to the decision recorded in our remarks on the last clause as to disclosure of the fact that the company is one of limited liability.

Clause 96.—We have adopted a new and much more detailed list of activities as forms of business in which a banking company may engage. We recognise that this list must be wide enough to escape the danger of hampering a company in the performance of any form of business usually undertaken by reputable bankers.

Section 377F.—We consider that this section should apply also to companies incorporated outside British India. We have postponed its operation for two years to afford companies time to make any necessary arrangements for compliance with the section.

Section 377G.—We consider that companies already incorporated should not be exempted from the provisions of this section and we have accordingly provided that it shall apply to all companies after the expiry of two years.

Section 377H.—The alterations are drafting improvements.

Section 377 I (now 377J).—We consider it better to express the amount which is to be transferred to the reserve fund as a fixed proportion of the profits rather than as a percentage of the capital.

Section 377 J (now 377K).—We have clarified the drafting, and have inserted a definition of the terms “demand liabilities” and “time liabilities”. We have also reduced the penalty provided for the minor offence of failing to file the monthly statement regarding liabilities with the registrar.

Section 377K (now 377M).—We have made a minor drafting amendment.

Section 377 L and 377M have been introduced to give effect to our decisions that a banking company should not be allowed to create any charge upon unpaid capital, and that if a bank has subsidiary companies these companies themselves should not be anything but banking companies.

Clause 97, section 382A.—The first change is the consequential insertion of a reference to managing agent. We have substituted the word "wrongfully" for the rather vague word "improperly".

Section 382B.—The alterations made in sub-sections (1) and (4) are self-explanatory. We have omitted from sub-section (3) the provision by which the whole of any provident fund was constituted a trust. We are impressed by the considerations that in many large and stable funds the contributors would have to suffer considerable loss from the inevitable lowering of the interest yield, and that the withdrawal from the business of the sums represented by such funds and at present functioning as a part of the company's
reserves might be fraught with difficulty. We have provided merely that all
future contributions by employees themselves to any provident fund shall be
separately invested, and that the securities in which they are invested shall
be trust securities.

Clause 98.—The substantial expansion of this clause is the result of making in the model regulations contained in Table A the changes necessary
to bring them into accord with the Act as now amended. The clause as
originally drafted was confined to amending those regulations which under
the provisions of section 17 of the Act are compulsorily included in the articles
of companies generally.

Clause 99.—We have introduced a revised form of statement in lieu of prospectus for the purposes of section 154.

Clause 100.—We have made certain amendments in the proposals contain-
ed in this clause for alteration of Form F Balance-sheet, prescribed in the
Third Schedule. We have redrafted the clause so that it shall itself present
the complete Form as now amended by us, instead of merely containing a list
of the alterations that are to be inserted in the existing form. Such altera-
tions as we have made in the proposals of the Bill have been actuated by the
desire to improve the Form from an accountancy point of view.

Sub-clause (b) of the clause introduces into the Act the Form necessary
to supplement the provisions of section 277 as now amended by clause 94 of
the Bill.

2. The Bill was published in the Gazette of India, dated the 28th March,
1936.
3. We think that the Bill has not been so altered as to require re-
publication, and we recommend that it be passed as now amended.

* N. N. Sircar.
*Cowasji Jehangir.
*S. Satyamurti.
*Sam Venkatakavelam Chetty;
*H. P. Mody.
*Mathuradas Vissanji.
*Bijnath Bajoria.
*I. C. Buss.
*Govind Ballabh Pant.
*Akhil Chandra Datta.
*R. V. Krishnan.
*S. K. Datta Palival.
*L. S. Hudson.
*Zafarullah Khan.
*Abdul Matin Chaudhury.
*Anugrah Narayan Sinha.

The 28th August, 1936.

Subject to a minute or minute of dissent.

† Minute of dissent not received.
D.—MINUTES OF DISSENT.

Due to circumstances over which I had no control, I was not present at the first three days of the sittings of the Select Committee at which the following clauses were considered:—

Clauses 31, 33, 35, 41, 53, 54, 55.

I have signed the Select Committee’s Report, subject to my right to propose or support any amendments to these clauses, and also subject to the same right on amendments made by the Select Committee with which I was not in agreement.

COWASJI JEHANGIR.

1. The compulsory inclusion of Art. 107 of Table A requires further consideration.

2. Section 87B.—We think that a change in the firm where the managing agent is a firm or liquidation for reconstruction, where it is a limited company, should not necessarily in all cases amount to transfer or assignment.

3. Accountants who are not Chartered Accountants should not be permitted to describe themselves as such for any purpose.

N. N. SIRCAR.
ZAFRULLAH KHAN.
R. V. KRISHNAN.

I have signed the Report subject to the following notes:—

(a) I think that in clause 33 of the Bill, a sub-clause should be added laying down the disqualifications for directorship in a public limited liability company, such as aliens or Non-British Subjects, ruling princes or those not amenable to the jurisdiction of Indian Courts, or retired Government servants who have held certain specified high offices in the State prior to their retirement from public service as likely to exercise undue influence in obtaining business for the concern in which they may become directors or managing agents.

The reasons for the first two sets of the illustrations for disqualification for acting as directors or managing agents are obvious and so need not be stated.

There are disqualifications over and above those obtaining under the ordinary law or under this Act or its amending Bill such as minority, unsoundness of mind, insolvency, conviction for fraud or breach of trust and the like.

Sub-clause 86 (i) under clause 33 of the Bill provides for the vacating of office by directors under certain contingencies, but does not make these contingencies or those mentioned above as positive disqualifications for acting ever as directors.

(b) I think that in clause 35, a sub-clause should be added defining clearly the Managing Agent.

Neither in the definition section, nor anywhere else, in the main Act or in the Amending Bill is there any clear definition laid down of the Managing Agent. In view of the great importance of the Managing Agent in the whole system of Joint Stock enterprise in India, and the law governing the same, it is, in my opinion, of the utmost necessity that such a vital term should be clearly defined. The definition should be so framed as to include all those
who do the actual managing business of the company such as managing directors, secretaries and treasurers, general managers or any person or persons in responsible office and authority in the management of the company, no matter by what exact title they are described by the company.

(c) The clause of the Amending Bill relating to Banking Companies in India, viz., clause 96, is not enough by itself to make up for the great lack of special legislation to regulate companies doing banking business in this country. Just as from the purview of the main Bill, insurance companies have been excluded, on the distinct understanding that they will be provided for in a separate piece of legislation applied to them, so also would I suggest a special, separate comprehensive legislation to regulate and govern companies doing banking business in this country. The desirability of such special legislation has been emphasised in the report of the Banking Enquiry Committee, as also in the opinions submitted by public organisations representing commerce and industry in this country. It would perhaps be impracticable if not out of order to move all the necessary amendments and additions to the Bill so as to make up for the special legislation; and therefore it is all the more necessary for some public undertaking being given by Government, such as that which has already been given with regard to the Insurance Company, to bring forward the necessary separate and comprehensive legislation for this purpose also.

MATHURADAS VISSANJI.

Bombay, 26th August, 1936.
COMPANIES (AMENDMENT) ACT, XXII OF 1936.

6. **Clause 31.**—We agree with the provision limiting the number of directors which a Managing Agent has the right to appoint, but the provision requiring the company in general meeting to appoint not less than one-third of the Board is one which we consider bound to lead to difficulties. In many cases the right to appoint directors is given to the holder of a special class of shares or of a number of ordinary shares. Similar rights are sometimes found in debenture issues and in companies where Government are interested. Government invariably retain the right to representation on the Boards. We consider it most undesirable to introduce legislation which may restrict these facilities, and there are cases such as floatations under merger agreements where none of the directorate may be elected by the company in general meeting.

7. Moreover, the clause as framed does not save existing appointments or powers to appoint under existing contracts and no provision is made for filling casual vacancies.

8. In our opinion that portion of the clause which prescribes that not less than one-third of the directors be appointed by the company in general meeting should be deleted.

9. **Clause 35. Section 87A (2).**—We are opposed to the compulsory termination of existing agreements after a fixed period.

10. As the section is framed the Managing Agent automatically ceases to hold office at the expiration of 20 years from the commencement of the Act. In the case of dissension among the shareholders, and perhaps the Board, a Company may find itself with no proper form of management until a majority of the shareholders can make up their minds. We consider that the section should provide that the Managing Agent may continue in office after the expiration of the 20 years unless and until removed by the shareholders; and preferably by a special resolution, since a decision of such importance to the company should not be left for determination by a bare majority.

11. The protection afforded a Managing Agent in the event of his having assumed a liability under a guarantee for the company is not adequate. The Managing Agent will still remain liable under his guarantee after he has ceased to hold office and the only protection afforded is that at the point of time when he is called upon to pay he will then obtain a charge, subject to existing charges, on such assets as the company may then possess, if any. In the meantime, the Managing Agent having severed his connection with the company may have no means of ascertaining whether and to what extent the assets are being mortgaged and whether the assets are being dissipated.

12. In our opinion the Managing Agent should be discharged by the company from all contingent liabilities under guarantees before he is removed from office, as unless this is provided the obvious effect of the section will be to deter Managing Agents from becoming sureties for their companies or where they have already done so to induce them to procure an early discharge. In the result companies will be deprived of financial assistance which would otherwise have been available to them.

13. **Section 87B (b).**—We agree in principle that upon the transfer of a Managing Agency the consent of the shareholders should be obtained but the section as framed needs clarification as regards the meaning of the words "transfer of office".

14. **Section 87H.**—In our opinion the terms of this section are wide enough to apply although there may be no competition or likelihood of
Clause 3. Section 4—Proviso ought to be added to this section with a view to exclude Hindu joint family partnerships and firms from its operation as this section will cause unnecessary hardship to them.

Section 6.—In sub-section (i) after the word ‘shajil’ the word ‘only’ should be inserted or a fresh sub-section (4) should be added providing that the memorandum should contain nothing that does not come under any of the heads mentioned in clauses (i) to (v), sub-section (1).

This is necessary to exclude extraneous matters being put in the memorandum which are not conducive to the interest of the company.

Clause 7.—Regulation 97 of Table A amended as follows should be included and made compulsory:—

“No dividends shall be paid otherwise than out of profits and/or reserves.”

The idea underlying this proposal is to stop payment of dividends out of capital.

Section 35.—An explanation ought to be added to this section that the term ‘local representative’ includes heirs also in the case of Hindus; and that corresponding changes may be made in regulation 21 of Table A.

This is to eliminate the unnecessary trouble and cost of taking out letters of administration in the case of the heirs of Hindus in the matter of transfers or disposals of shares.

Clause 95.—A uniform minimum of three directors should be prescribed for all public companies, whether registered before or after the commencement of the Indian Companies Act, 1936.

Clause 91.—The directors to be appointed by the members in general meeting should be not less than ½ of the whole number of directors and should be appointed every three years by the system of proportional representation by L. S. HUDSON.

L. C. BUSS.

The 29th August, 1936.
means of single transferable vote. The existing custom of retirement by
rotation of 1/3rd of the directors every year should be abolished as otherwise
the number of directors at an election would be too small to ensure success of
this system of election. Further, as the managing agents have already been
given the right to elect 1/3rd of the number of directors, they should not vote
in the election of the remainder of the directors unless they hold more than
1/3rd of the total value of paid up shares having voting rights.

Clause 30.—A new section after 86F should be added as follows:—

(i) No director of a company shall derive any pecuniary benefit directly
or indirectly from dealings in the shares of the company if such dealings are
proved to have been prompted by his special knowledge of the company
derivable from his position as a director.

(ii) A director acting in contravention of this section shall be liable
to a fine not exceeding one thousand rupees and shall also be civilly liable to
pay the amount of benefit derived from such dealings to the person directly
affected.

The object of the above proposal is to check dealings or speculation by
directors in the shares of their company with a view to earn unholy gains;
the total eradication of the evil may be impossible but the above provision
will surely serve as an effective deterrent.

Clause 33. Section 87A, B, C.—Proviso to section 87A, stating, "The
managing agent shall have the right to claim any compensation which may
be payable by the company to the managing agent for premature determination
of his contract of management", and the provisos to sections 87B (e) and 87C
(1) should be deleted as these will, to a great extent,nullify the purposes of
these sections.

Section 87B (e) should be amended as follows:—

(e) "the appointment of a managing agent and the removal of a
managing agent shall not be valid unless approved by the company by a
resolution at a general meeting of the company; and any variation of a
managing agent's contract of management shall not be valid unless approved
by the company by a special resolution at a general meeting of the company"
This will remove the anomaly existing between section 87B (e) and the
latter part of section 87C (1).

Another section 87 I should be added after section 87H as follows:—

"Any contract or arrangement or stipulation in the memorandum or
articles of association which interfere with the right of the Board of Direc­
tors to exercise powers of general control and direction over the managing,
agent in matters of general policy and broad questions of finance shall be
void and not binding on the company".

It is not infrequent that the managing agents in their contracts with the
company procure terms that render the control of the Directors virtually
nil and this section is required to provide check against such practice.

Clause 100. Form F.—The letters "e.g." should be deleted under the
headings "stock in Trade" and "Investments" in Form F, so that the valuation
of assets may be made only either at cost or at market price, preferably which­
ever is lower, and not "at or under cost" or "at or under market value" or in
any other way as is done at present by some companies because by these-
Although the Directors are the pivot of the Joint Stock Company system, there is no statutory provision regarding the precise position and powers of the Directors, either in the English Act or the Indian Act. But there is this fundamental difference between the English and the Indian systems that the English system is unicameral, there being only one controlling authority, viz., Directors whereas here in India we have a bicameral system viz., the Directors and the Managing Agents. This dyarchy brings a lot of complications, especially in view of the fact that statutory recognition is for the first time being accorded to Managing Agents by this Amending Act. As a matter of fact, dispute not infrequently arises between Directors and Managing Agents regarding their respective powers.

Some of the provisions of this Bill make it all the more necessary that there should be a statutory provision defining the position of Directors with respect to the Managing Agents, e.g., proposed new section 87G provides that Managing Agent shall have no right to issue debentures and shall not invest the fund of the company without consent of the Directors. The question very pertinently arises whether by necessary implication the Managing Agent will have power to perform all other functions without consent of Directors. Questions like these should not be left to individual judgment of courts. The new definition of the term Managing Agent introduced in clause 2 of the Bill...
COMPANIES (AMENDMENT) ACT, XXII OF 1936.

seems to vest all residuary powers of management and control in the Directors. But it is desirable that there should be a substantive provision dealing with this very important point. To achieve this, Regulation 71 of the Table A of the First Schedule should be made compulsory. There cannot be any dispute that the ultimate and superman power of control and direction of all companies, including those managed by Managing Agents, should vest in the Directors.

The province to sections 87B (e) and 87C (1) should be deleted as they practically make the provisions of 87B (e) and 87C (1) illusory.

AKHIL CHANDRA DATTA.

The 30th August, 1936.

General.—Generally I do not agree with the majority of my colleagues in exempting the existing companies from the provisions of the Bill. I see no reason why this difference should be made between the new and the old. These exemptions practically nullify the Act. They put the new companies at a disadvantage and thus penalise new enterprises. The doctrine of the sanctity of contract should not be carried too far even in the interest of those who swear by it.

Clause 5 of the Bill.—I am unable to understand why the introductory words in the proposed sub-section (3), i.e., "Except with the previous consent in writing of the Governor General in Council", are necessary. Why should the advantages of these companies be monopolised by these companies alone whom the Governor-General in Council favours? Obviously this will lead to favouritism in business which is highly undesirable. In a capitalistic form of society Government patronage in business leads to vicious distinctions and the evil is aggravated under economic Imperialism, that is, when the Government happens to be an alien Government. There is the danger of discrimination between the Indian and the British and semi-British companies.

Clause 7 of the Bill.—I agree with the Bombay shareholders that Regulation 55 which imposes an obligation on the chairman to adjourn a meeting, if the majority of the meeting demands its adjournment, should be made compulsory. I am not prepared to believe that shareholders are so oblivious of their own interest that they will demand adjournments without valid reasons. And then it is not easy to have the majority against the management. The very fact of their being a majority goes to show that there seems to be something rotten in the state of Denmark.

And then there is the question of the proportional representation by single transferable vote in the election of directors. I think it is absolutely necessary to give the minority among the shareholders a chance. Looking to the powers and resources of the management in joint stock companies, the methods adopted by them to secure safe majorities for themselves and the ways in which these majorities have been used the provision for the election of directors by single transferable vote becomes essential to give the shareholders some voice in the management. If proportional representation is necessary and justifiable anywhere it is undoubtedly so here. The nervousness of the vested interests as regards this provision is in itself an irresistible argument in its favour.

Clause 13 of the Bill.—There is a very strong case in favour of the deletion of sub-section (3) of the clause. There can be no denying the fact that.
the absolute powers of the directors to refuse the transfer of shares (specially fully paid up shares) is liable to be abused and has been abused. And the absolute power of refusal to transfer shares is not so indispensable after all. As the Bombay shareholders have pointed out several companies modified their Articles of Association giving up the absolute power of the directors to refuse to transfer fully paid shares in order to obtain quotations in the Bombay Stock Exchange. London Stock Exchange also refuses to grant quotations to companies whose Articles of Associations give absolute power to the directors to refuse to transfer fully paid up shares. The Joint Select Committee which considered the Reserve Bank Bill recommended deletion from the Bill of a similar power sought to be conferred upon the Central Board of the Bank. In regard to a clause in the Imperial Bank Act Amendment Bill the Joint Select Committee said, "we do not agree that the Bank should have the power which the Bill in its original form would have given them to decline to register the transfer of fully paid up shares. This is not a right which we consider desirable that they or any limited liability company should possess". Section 38 of the Canadian Companies Act, 1934, lays down that directors cannot refuse to transfer fully paid share unless the transferor is indebted to the company. And the right to refuse the transfer of fully paid up shares without even assigning reasons for such refusal seems to me absolutely indefensible. In the absence of such reasons it is impossible to prove that the directors have exercised their powers capriciously and mandatorily. Even the Registrar of Bengal has expressed his opinion that the directors should assign reasons for their refusal. The Karachi Indian Merchants Association are also of the same opinion.

Clause 15 of the Bill.—In sub-section (3) of this clause 30 days time for sending a copy of the list of shareholders to a person who requires it is too much. Ten days time provided in the original Bill was more than sufficient. Shareholders want such copies specially at the time of General Meetings, etc. Hence there must be some margin of time between the receipt of the copy and the meeting. It is too much to expect the shareholders to be so alert that they will demand the copy months before the meeting and they do not know when the meeting is going to be held. No company worth the name should experience any difficulty in getting the copy ready within ten days. If in the case of some companies number of shareholders is extraordinarily large, then they can employ extra-labour. What one man can do in thirty days, surely, three can do in ten.

Clause 26 of the Bill.—In this clause provision should have been made laying down that every member of a company would be entitled to vote in proportion to the paid up capital held by him. This is necessary in order to checkmate those company promoters who insert in the Articles of Association all sorts of clauses designed to deprive the shareholders of their voting rights as a class and to acquire disproportionate or multiple voting rights for themselves with a view to secure safe majority. Generally preference shares are issued without any voting rights whatsoever. They are not entitled to vote even though their dividend has not been paid or their capital endangered due to the management of the company's affairs.

Then there is the evil of issuing management or deferred shares which must be checked. As a result of this practice the management acquires highly excessive or multiple voting rights, the underlying motive being to acquire and perpetuate the control of the undertaking in their own hands. The case of the New Victoria Mills Co., Ltd. (Cawnpore) under the management of Messrs.
I. P. Shrivastava and Sons is a glaring instance of this sort of thing. As at 31st October, 1934, in this Company there were 2,07,166 deferred shares of Re. 1 each on which only 8 as. per share was called, and every holder of these shares was entitled to two votes per share. And these deferred shares were largely controlled by the management.

Clause 33 of the Bill.

—I am unable to agree with the majority of my colleagues in the Committee in deleting sub-section 86F, originally provided in the Bill. It contained a salutary principle that one and the same person should not occupy the office of the Director and Debenture Trustee, as these offices are not compatible with each other.

There is no provision whatsoever about the election of directors. I think it is necessary to provide for the election of directors by ballot. Surely the shareholders who have financial stake in the company should have freedom of vote and the system of ballot is meant to give them that freedom.

The practice of one person becoming a director of unlimited number of companies should be regulated. No person should be allowed to be the director of more than twenty companies. The number may be arbitrary and there may be exceptional cases in which a person may serve more than twenty companies usefully but some limit has got to be fixed and exceptions should not be turned into rules.

It is also desirable to provide that the resignation of directors should be notified. No company should be allowed to trade in the confidence of the investing public in a person who himself has lost all confidence in the company concerned. The difficulties urged against the adoption of this provision are after all not so formidable as they are made out to be.

Clause 35 of the Bill.

—This is the most important clause of the Bill as it deals with the system of Managing Agencies which has rightly incurred a considerable amount of public displeasure of late. The system has been so grossly abused that the confidence of the investing public in the joint stock companies has been greatly shaken. And thus the system has retarded the industrial advancement of the country which it claims to promote and which can be its sole justification. The case against this system has been thoroughly stated in various publications which are easily available to all who desire to have them. Therefore I need not go into it here. Suffice it to say that the system has not only been greatly abused but it has not even proved efficient in its working. Whatever its justification in the past I don't think there is any need to retain it now. In these days of surging tide of socialism, when even the capitalistic States are taking to the socialistic methods of production in many ways it ill behoves us to say that we can't do without the Managing Agency system for some time to come.

Clause 97 of the Bill.

—I don't agree with the majority in changing 282B (9). I am of opinion that the sub-section should have been retained as it is in the original Indian Companies (Amendment) Bill, 1936. Law is meant to provide against bad companies, and no one can deny that even a very big company defaulted in this matter. The provident fund is a sort of saving and insurance fund and it should be regulated according to well-known investing principles. Everybody knows that greater the security the less the interest. Still people prefer to invest in sound and secure concerns because in that case they may get less but they are sure to get it. I can't understand the concern of the big business for the higher payment to the employees. To be frank I view it with distrust. And then supposing that the employees will
be losers inasmuch as they will get less interest; they will be compensated by
the increase of their wage directly, because this thing is a sort of indirect
wage to them. Besides this there is the guarantee that those concerns which
pay higher interest will not reduce them in future. And suppose if by mis­
chance the company comes to grief the thousands and thousands of the poor
employees stand in danger of losing all of their hard-earned and expected
income. The fact that up till now the defaults are few is no guarantee for
the future. Taking all these factors in view, I think the wage-earners and
the employees stand to lose more under the existing practice than under the
new provision contained in 282B (2).

Clause 56 of the Bill.—This clause has been amended by the Select Com­
mittee. In the report of the Committee the clause is numbered 67. It lays
down that the profit and loss account shall include particulars showing the
total of the amount paid whether as fees, percentages or otherwise to the
manager only in those cases where a special resolution passed by the members
of the company so requires. Now, one can appreciate the difficulty in showing
the manager’s pay, etc., ordinarily but I fail to see why it should not be shown
if the majority of the shareholders so require? There is no necessity for a
special resolution. I think that these words should be substituted by the
following:

"where shareholders assembled in a general meeting so require”.

Clause 82 of the Bill and 97 of the Report.—In spite of the opinion of
the majority of the Committee to the contrary I hold that it is the duty of
the law to ensure the appointment of independent persons as liquidators and
with that end in view the following provision should be added to 208A (i) of the
existing Act:

"Provided that the following persons, that is to say,—
(i) A Managing Agent of the Company or any partner of the Managing
Agent if the Managing Agent is a firm, or any Director or Member of the
Managing Agent if the Managing Agent is a private limited company or any
Director of the Managing Agent if the Managing Agent is a public company;
(ii) a Director, Auditor or Officer of the company;
(iii) a partner of such Director, Auditor or Officer; and
(iv) any person in the employment of such Managing Agent, Director,
Auditor or Officer shall not be appointed Liquidator of the Company."

S. K. DUTT PALIWAL.

Clause A2.—We regret that we are not able to reconcile ourselves
to some of the important provisions in the Bill as it has emerged from the
Select Committee. This being an Amendment Bill, its scope is obviously
limited and it is not open to us to deal with large questions of policy as
regards industrial organisation in this minute. We are, however, aware of
the handicaps under which industrial enterprise labours under the present
system of administration and would not like to do anything tending to
hamper the growth of industries. We recognise that leadership is necessary
for industrial planning and so long as the state refuses to take the initiative
and to offer reasonable assistance and guidance in this matter after the
manner of self-governing countries, special measures may be needed to make
up for this deficiency. We accept that industrial development has not yet
reached the stage when we can safely dispense with the institution of
managing agents.
2. There is, however, virtual unanimity on the point that this system of management is attended by a number of abuses and drawbacks, and needs a complete overhauling. Capital is as essential for industrial progress as business enterprise and experience. Again, because of political and economic reasons, our industries have to face great difficulties in the way of finance. Private capital in a poor country has obvious limitations and a citizen of ordinary means would not readily take risks, and unless he is satisfied that it is profitable as well as safe to invest his savings in business, his reluctance and apathy will not be overcome. So long as the entrepreneurs are left free to appropriate the lion’s share, the impetus needed for stimulating the man of small means will be feeble and ineffective. The profits of industry should be equitably distributed, and the Managing Agents’ remuneration regulated in a fair manner, so that the ordinary investor may come to reasonable dividend on his share. Thus alone can fresh sources be tapped and larger sums drawn towards industry, and the alliance of capital and enterprise ensured for accelerating the pace of industrialisation.

3. Clause 42, section 87A.—The recommendations of Mr. Susil Sen, who was specially engaged to examine this problem, have been greatly whittled down, as regards the term of tenure of the Managing Agents. As to existing Managing Agencies, he was of the opinion that the old contracts should come to an end after one year from the Amended Act coming into force notwithstanding anything contained in the articles. For future appointments he had laid down a maximum period of ten years. According to Mr. Sen, “he had tried to bring his recommendations to the irreducible minimum”. But the Bill (Clause 42) extends the period to twenty years indiscriminately. We may accept this limit of twenty in place of ten for the future, and are willing to give full benefit of this twenty years’ period to the Managing Agents appointed before the introduction of this Bill. We agree that existing Agents should not be disturbed until they have completed at least twenty years under their contract. But the substitution of twenty for one is utterly incomprehensible. In several cases, the existing Managing Agents, along with their predecessors, in absentia, have been in office for several decades. The emoluments earned by them have greatly exceeded the remuneration which the Managing Agents can henceforth possibly get under the restrictions imposed by this Amending Act. The industries that are well established can now thrive without the driving force of the Managing Agents, and on the whole it will work to the advantage of the community if they are relieved of these commitments and their energies are diverted to more fruitful channels so that the growth of new industries may be facilitated. It is not inconceivable that in several cases thereon whom the mantle has fallen by the sheer accident of their being connected by blood or otherwise with the original initiators may be absolutely wanting in the qualities possessed by the pioneers. Succession in the matter of Managing Agency is intrinsically unsound. In this age of keen competition over the entire international field, only such concerns can survive as are managed by the best brains in the most efficient manner. We appreciate the part played by resourceful captains of industry in the past and do not consider it necessary to observe if they have been amply repaid. It is, however, pertinent to point out that none of the principal industries would have been in existence to-day but for the sacrifices made by the community. But for heavy customs and import duties, the textile, the steel, the sugar or the cement industry would have been completely effaced long ago. Inexpert management and payment on a lavish scale to the intermediaries not only increase the cost of production and tend
SELECT COMMITTEE'S REPORT: MINUTES OF DISSENT ccxxxv

to raise the level of protective duties. The Bill is based on the sanctity of social justice and public welfare and does not regard any contract—much less an unconscionable arrangement—as sacrosanct. We may not insist on the existing Agencies terminating after a year, as proposed by Mr. Sen, or after two years, in every case as the Bill lays down for Banking Companies, or till twenty years have elapsed from the date of the first appointment, but the extension of the period by twenty years from the commencement of the Act is utterly unacceptable to us. It is much too long. We are strongly of the opinion that Clause 42, section 87A (2) should be accordingly amended.

Suitable safeguards should be prescribed to prevent existing Agents devising subtle means for defeating the new provisions by enlarging the business of the company or starting new lines, or raising fresh capital.

4. Clause 42: 87B (e) and 87C (i) and (ii) There has been further deterioration as regards remuneration as well as method of appointment of managing agents in the Select Committee as will be borne out by a comparison of 87B (e) and 87C (ii) of the original Bill with corresponding provisions of the amended Bill. Under the former the appointment of the managing agents would not be valid except with the approval of the company (87 B (e)), and any stipulation for additional remuneration in any form other than that based on a fixed percentage of the net annual profit of the company needed the sanction of the shareholders. The amendments made in the Select Committee exempt the appointments made prior to the issue of the Prospectus from such sanction. We are opposed to these changes, as they render the provisions illusory and ineffective. As a rule the contracts of managing agency are entered prior to the issue of the Prospectus and the mischief arises out of such arrangement, although it is invariably mentioned in the Prospectus itself. Individual shareholders seldom care to acquaint themselves with the details given in the Prospectus. Even under the existing law, matters pertaining to such contracts have to be disclosed in the Prospectus, though not in as detailed a manner as is now contemplated. In some countries no allotment of shares can be made until the applicant has signed the Prospectus. There is no such condition prescribed here. Even the original provision appeared to us as inadequate. No test or maximum has been laid down for determining the minimum sum to be paid in the absence of profits or the office allowance. The amended clause now provides for a minimum payment in the case even of inadequacy of profits. The present clause is too vague and almost valueless. We are definitely of the opinion that the clauses as they are now framed are devoid of substance and will prove altogether futile. There is no alternative to the appointment of the Managing Agent, along with the terms of his remuneration being in every case made subject to the unequivocal approval of the company. Such arrangements should not be binding unless sanctioned by the shareholders at a meeting specially held for this purpose, and no payment by way of remuneration to the Managing Agent should be admissible except out of the annual net profits.

5. 87A (i) 87 A (i), as amended, contemplates the payment of compensation even where the termination of the agency is due to the operation of the statute. In our view, it is fundamentally unsound. It should be definitely laid down that no compensation shall be payable to the Managing Agent where his contract is terminated, in accordance with sub-section (2) or any other provision of this Bill. Similarly, the Managing Agent should not be entitled to any compensation if the company is wound up, whether by
Court or voluntarily. The failure of the company must be due to some misfortune, if it is not the result of the negligence, default or incompetence of the Managing Agent. The concern may have come to grief in consequence of causes beyond the Managing Agent's control, such as, an economic collapse or slump, but there is no reason why the Managing Agent should possess better rights than the shareholders, and, as this change implies, at their cost. It is still more strange that under this sub-section the Managing Agent will have a right to compensation even though the disaster be the result of his own incompetence and inefficiency.

6. 37B (a).—Mr. Sen had recommended that the Managing Agents should be removable by the shareholders on the grounds of fraud, gross negligence, breach of trust or breach of duty, notwithstanding anything to the contrary contained in the articles or in the terms of appointment, by a resolution passed at an extraordinary general meeting to be convened for the purpose.

The draft Bill modified this considerably and restricted the right of removal to fraud or breach of trust proved in a competent court. This has been further interfered with, with the result that the Managing Agent will not be liable to be removed except for a non-bailable offence relating to the affairs of the company. We see no reason why a person guilty of fraud or breach of trust, whether arising out of the affairs of the company or otherwise, should not be removable from the office of Managing Agent, if he forfeits the confidence of the shareholders. On the other hand, unless the offence of which the managing agent is convicted involves moral turpitude, even a conviction for a non-bailable offence need not prejudice his position. We see no reason why a person guilty of fraud or breach of trust, whether arising out of the affairs of the company or otherwise, should not be removable from the office of Managing Agent, if he forfeits the confidence of the shareholders. On the other hand, unless the offence of which the managing agent is convicted involves moral turpitude, even a conviction for a non-bailable offence need not prejudice his position. We also feel that a provision enabling the shareholders to remove the managing agents for gross negligence or mismanagement should be inserted. We see no reason why a person guilty of fraud or breach of trust, whether arising out of the affairs of the company or otherwise, should not be removable from the office of Managing Agent, if he forfeits the confidence of the shareholders. On the other hand, unless the offence of which the managing agent is convicted involves moral turpitude, even a conviction for a non-bailable offence need not prejudice his position. We also feel that a provision enabling the shareholders to remove the managing agents for gross negligence or mismanagement should be inserted. We see no reason why a person guilty of fraud or breach of trust, whether arising out of the affairs of the company or otherwise, should not be removable from the office of Managing Agent, if he forfeits the confidence of the shareholders. On the other hand, unless the offence of which the managing agent is convicted involves moral turpitude, even a conviction for a non-bailable offence need not prejudice his position. We also feel that a provision enabling the shareholders to remove the managing agents for gross negligence or mismanagement should be inserted. We see no reason why a person guilty of fraud or breach of trust, whether arising out of the affairs of the company or otherwise, should not be removable from the office of Managing Agent, if he forfeits the confidence of the shareholders. On the other hand, unless the offence of which the managing agent is convicted involves moral turpitude, even a conviction for a non-bailable offence need not prejudice his position. We also feel that a provision enabling the shareholders to remove the managing agents for gross negligence or mismanagement should be inserted. We see no reason why a person guilty of fraud or breach of trust, whether arising out of the affairs of the company or otherwise, should not be removable from the office of Managing Agent, if he forfeits the confidence of the shareholders. On the other hand, unless the offence of which the managing agent is convicted involves moral turpitude, even a conviction for a non-bailable offence need not prejudice his position. We also feel that a provision enabling the shareholders to remove the managing agents for gross negligence or mismanagement should be inserted. We see no reason why a person guilty of fraud or breach of trust, whether arising out of the affairs of the company or otherwise, should not be removable from the office of Managing Agent, if he forfeits the confidence of the shareholders. On the other hand, unless the offence of which the managing agent is convicted involves moral turpitude, even a conviction for a non-bailable offence need not prejudice his position. We also feel that a provision enabling the shareholders to remove the managing agents for gross negligence or mismanagement should be inserted. We see no reason why a person guilty of fraud or breach of trust, whether arising out of the affairs of the company or otherwise, should not be removable from the office of Managing Agent, if he forfeits the confidence of the shareholders. On the other hand, unless the offence of which the managing agent is convicted involves moral turpitude, even a conviction for a non-bailable offence need not prejudice his position. We also feel that a provision enabling the shareholders to remove the managing agents for gross negligence or mismanagement should be inserted. We see no reason why a person guilty of fraud or breach of trust, whether arising out of the affairs of the company or otherwise, should not be removable from the office of Managing Agent, if he forfeits the confidence of the shareholders. On the other hand, unless the offence of which the managing agent is convicted involves moral turpitude, even a conviction for a non-bailable offence need not prejudice his position. We also feel that a provision enabling the shareholders to remove the managing agents for gross negligence or mismanagement should be inserted.
the company without the express and specific sanction of the Directors. It
should not be within his purview to issue calls or refuse transfers or to deal with
forfeited shares.

9. 37.—In our opinion not less than two-thirds of the whole number of
the Directors of the company should be elected by the shareholders and the
elections should be held according to the principle of proportional representa-
tion or single non-transferable vote. It is inequitable to allow a bare
majority to pack the entire Board with its own nominees. Cases are not
unusual when one single shareholder or Managing Agent holds the majority
of shares and as such nominees all the Directors and dominates the entire
Board. All shareholders should be given an equal opportunity to return re-
presentatives trusted by them. The shareholders are in law and in fact the
real owners of the concern and they should be encouraged to take an intelligent
interest in the affairs of the company. Election by proportional representation
should lead to greater efficiency in management and keener interest
on the part of the shareholders.

10. Clause 40, 87E.—The scope of this sub-section is very limited. The
Directors hold a fiduciary position and occasions involving conflict of duty
and interest should be avoided. A Director should be prohibited from enter-
ing into any transaction with the company unless he has received such consent
in a general meeting. Such permission should not be available for more than
a year at a time. It should clearly specify the nature of the transaction and
a report should be laid before the company at its general meeting giving full
information as to the contracts entered into by the Directors. The Directors
should be required to lay before the annual meeting of the company a state-
ment of the shares of the company acquired by them in their own or other
people's names along with transfers made by them in the course of the year
with the corresponding quotation in each case.

11. 39.—The debts due by a Director should not be written off without
the consent of the shareholders. The Directors should not have the power of
promoting any subsidiaries, issuing uncalled capital or transferring any under-
taking of the company without the consent of the general body of share-
holders.

12. 109.—We regret the change made by the Select Committee in
clause 94. This provision had been bodily taken from the English Act. This
Bill closely follows the English Act of 1929 and a departure in this particular
case is, in our view, unjustified. We fail to understand why foreign companies
should be given exceptional treatment. We fear that such discrimination will
work to the detriment of the indigenous companies and may even serve as
subterfuge for defeating the purpose of the safeguards provided in the Bill.
There is some object and some reasons as to why the Balance Sheet should
contain certain particulars. We do not find any reason as to why the foreign
countries engaged in exploitation here should not comply with the general rule
in force in our country. Surely when foreign companies can submit without
any difficulty to the rule prescribing uniform practice for all in the United
Kingdom and other countries, they can do likewise here. We are not asking
them to do more than what our own indigenous corporations are required to
do in other countries. Just as a company incorporated in Tokyo, New York
or Dublin has to present a Balance Sheet in England in the form prescribed
for English Companies, similarly we want such companies as have been regis-
tered outside India to file their Balance Sheet in the form in which companies
COMPANIES (AMENDMENT) ACT, XXII OF 1936.

I do not agree with several of the provisions of the Bill as it has emerged from the Select Committee. Since, however, I was not able to be present at the meeting of the Committee at which the Report was presented for final consideration, and have had no opportunity of studying the precise form in which the amendments which were decided upon in substance have been framed, I regret I am not in a position to append a Minute of Dissent which could satisfactorily embody my objections to the features of the Bill with which I find myself in disagreement. All that I can do, therefore, is to indicate only a few points of dissent.

Clause 31.—This clause should not have a retrospective effect, and the powers of directors to fill casual vacancies should not be done away with.

Clause 35, Section 87A (2).—It should be provided that existing Managing Agency contracts should not be automatically terminated at the end of incorporated here have to file theirs. We propose that the original clause be restored.

13. 110.—We feel that the provisions of clause 110 are not adequate. Hawking of foreign shares might well be prohibited and the Hawking section of the English Act introduced for this purpose. We quote the following extract from Mr. Sen's report. "A considerable amount of business is being carried on in this country of late in shares, bonds, etc., of foreign companies. Glowing accounts are usually given by the canvassers and the agents employed by these companies of the profits likely to be made by investing money in such commodities. The unwary investors not acquainted with the details of foreign corporations are very often trapped and in most cases lose all the money which they invest in the purchase of these bonds and shares." The activities of one of these companies were recently investigated by the Bombay High Court and were characterized in the judgment as scandalous. The Government of the United Provinces have also asked for legislative interference. Besides, there is dearth of money in our own country and every rupee can well be utilized for advancing our own industries.

We have restricted this note to salient points, as we do not consider it necessary to deal with minor matters at this stage.

GOVIND BALLABH PANT,
S. SATYAMURTI,
AKHIL CH. DATTA,
S. K. DUTTA PALIWAL,
ANUGRAH NARAYAN SINHA,
ABDUL MATIN CHAUDHURY.

Simla,
August 30, 1936.

I do not agree with several of the provisions of the Bill as it has emerged from the Select Committee. Since, however, I was not able to be present at the meeting of the Committee at which the Report was presented for final consideration, and have had no opportunity of studying the precise form in which the amendments which were decided upon in substance have been framed, I regret I am not in a position to append a Minute of Dissent which could satisfactorily embody my objections to the features of the Bill with which I find myself in disagreement. All that I can do, therefore, is to indicate only a few points of dissent.

Clause 31.—This clause should not have a retrospective effect, and the powers of directors to fill casual vacancies should not be done away with.

Clause 35, Section 87A (2).—It should be provided that existing Managing Agency contracts should not be automatically terminated at the end of
twenty years except by a Special Resolution of the Company. In any event, the office of a Managing Agent should not be terminated before the Managing Agent has been indemnified for all liabilities or obligations properly incurred by him on behalf of the company.

Section 87B (b).—The words "transfer of his office by a Managing Agent" should be strictly interpreted. It would be very inconvenient and undesirable that every single change in the personnel of a managing agency firm should require the approval of the company in general meeting.

Section 87C (2).—I do not see why bounties or subsidies should be deducted for the purpose of calculating net profits.

I am altogether opposed to the new provision that a Registered Accountant may be allowed to style himself, for the purposes of the Act, as "Chartered Accountant (India)." It is calculated to deceive the public, and no valid reason has been advanced for such a change of designation.

H. P. MODY.

The 29th August, 1936.
GENERAL INDEX.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account books</td>
<td>67</td>
</tr>
<tr>
<td>Company to keep proper, and penalty for not keeping proper books, S. 130</td>
<td>67</td>
</tr>
<tr>
<td>Accounts</td>
<td>62</td>
</tr>
<tr>
<td>Filing of, of receivers, S. 119</td>
<td>62</td>
</tr>
<tr>
<td>Regulation of, with Court, S. 119</td>
<td>93</td>
</tr>
<tr>
<td>Addition</td>
<td>122</td>
</tr>
<tr>
<td>Of 'Limited' to name, S. 261</td>
<td>122</td>
</tr>
<tr>
<td>To name of company of &quot;and reduced&quot;, S. 87</td>
<td>21</td>
</tr>
<tr>
<td>Adjustment</td>
<td>93</td>
</tr>
<tr>
<td>Of rights of contributories, S. 192</td>
<td>93</td>
</tr>
<tr>
<td>Administration and Management</td>
<td>115</td>
</tr>
<tr>
<td>See MANAGEMENT AND ADMINISTRATION</td>
<td>115</td>
</tr>
<tr>
<td>Advertisement</td>
<td>53</td>
</tr>
<tr>
<td>Restrictions on, of director, S. 84</td>
<td>33</td>
</tr>
<tr>
<td>Affidavit</td>
<td>119</td>
</tr>
<tr>
<td>Court or person before whom, may be sworn, S. 248</td>
<td>119</td>
</tr>
<tr>
<td>Allotment</td>
<td>53</td>
</tr>
<tr>
<td>Effect of irregular, S. 102</td>
<td>53</td>
</tr>
<tr>
<td>Restrictions on commencement of business, S. 103</td>
<td>53</td>
</tr>
<tr>
<td>Restrictions as to, S. 104</td>
<td>92</td>
</tr>
<tr>
<td>Return as to, S. 104</td>
<td>54</td>
</tr>
<tr>
<td>Allowance</td>
<td>61</td>
</tr>
<tr>
<td>Particulars in case of, on debentures, S. 111</td>
<td>61</td>
</tr>
<tr>
<td>Alteration</td>
<td>8</td>
</tr>
<tr>
<td>Effect of, in memorandum or articles, S. 20A</td>
<td>8</td>
</tr>
<tr>
<td>Effect of failure to register within three months, S. 16</td>
<td>8</td>
</tr>
<tr>
<td>Exercise of discretion by Court in, of memorandum, S. 14</td>
<td>7</td>
</tr>
<tr>
<td>Of articles by special resolution, S. 29</td>
<td>9</td>
</tr>
<tr>
<td>Of memorandum, S. 12</td>
<td>6</td>
</tr>
<tr>
<td>Of memorandum or articles to be noted in every copy, S. 25A</td>
<td>10</td>
</tr>
<tr>
<td>Of tables and forms and power to make rules as to prescribed matters, S. 151</td>
<td>77</td>
</tr>
<tr>
<td>Power of court when confirming, S. 13</td>
<td>77</td>
</tr>
<tr>
<td>Procedure on confirmation of, in memorandum, S. 10</td>
<td>7</td>
</tr>
<tr>
<td>Restriction on, of memorandum, S. 10</td>
<td>5</td>
</tr>
<tr>
<td>Restriction on, of terms mentioned in prospectus or statement in lieu of prospectus, S. 90</td>
<td>50</td>
</tr>
</tbody>
</table>

"And reduced"

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addition</td>
<td>21</td>
</tr>
<tr>
<td>To name of company of &quot;and reduced&quot;, S. 87</td>
<td>21</td>
</tr>
<tr>
<td>Annual Balance sheet</td>
<td>67</td>
</tr>
<tr>
<td>Of company, S. 131</td>
<td>67</td>
</tr>
<tr>
<td>Annual General Meeting</td>
<td>27</td>
</tr>
<tr>
<td>Of company, S. 76</td>
<td>27</td>
</tr>
<tr>
<td>Annual list</td>
<td>13</td>
</tr>
<tr>
<td>Of members and summary, S. 32</td>
<td>13</td>
</tr>
<tr>
<td>Appeal</td>
<td>90</td>
</tr>
<tr>
<td>From orders, S. 202</td>
<td>90</td>
</tr>
<tr>
<td>Applicability</td>
<td>119</td>
</tr>
<tr>
<td>Of Act to companies formed under former Companies Act, S. 250</td>
<td>119</td>
</tr>
<tr>
<td>Of Act to companies registered but not formed under former Companies Acts, S. 251</td>
<td>119</td>
</tr>
<tr>
<td>Of tables and forms and power to make rules as to prescribed matters, S. 151</td>
<td>77</td>
</tr>
<tr>
<td>Application</td>
<td>72</td>
</tr>
<tr>
<td>For inspection to be supported by evidence, S. 139</td>
<td>72</td>
</tr>
<tr>
<td>Of assets, S. 184</td>
<td>92</td>
</tr>
<tr>
<td>Of fines, S. 279</td>
<td>136</td>
</tr>
<tr>
<td>Of insolvency rules in winding up of insolvent companies, S. 229</td>
<td>106</td>
</tr>
<tr>
<td>Provisions as to, for winding up, S. 168</td>
<td>84</td>
</tr>
<tr>
<td>To court for confirming order, reducing share capital, S. 58</td>
<td>21</td>
</tr>
<tr>
<td>Appointment</td>
<td>48</td>
</tr>
<tr>
<td>Disclosure to members in case of contract appointing a manager, S. 91-C</td>
<td>48</td>
</tr>
<tr>
<td>Duration of, of managing agent, S. 171</td>
<td>38</td>
</tr>
<tr>
<td>In certain cases of voluntary liquidators to office of official liquidator, S. 226</td>
<td>105</td>
</tr>
<tr>
<td>Limit on number of directors appointed by managing agent, S. 87</td>
<td>41</td>
</tr>
<tr>
<td>Of auditors, S. 144</td>
<td>74</td>
</tr>
<tr>
<td>Of directors, S. 88-11</td>
<td>38</td>
</tr>
<tr>
<td>Of liquidator in voluntary winding up S. 229-B</td>
<td>100</td>
</tr>
<tr>
<td>Of Official liquidator, S. 176</td>
<td>86</td>
</tr>
<tr>
<td>Power of court to appoint liquidators, S. 224</td>
<td>104</td>
</tr>
<tr>
<td>Power of court to appoint inspectors, S. 142</td>
<td>73</td>
</tr>
<tr>
<td>Registration of, of receiver, S. 118</td>
<td>62</td>
</tr>
<tr>
<td>Restrictions on, or advertisement of director, S. 84</td>
<td>33</td>
</tr>
<tr>
<td>Topic</td>
<td>Page</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Arbitration</td>
<td>77</td>
</tr>
<tr>
<td>Power for companies to refer matters to, S. 152</td>
<td></td>
</tr>
<tr>
<td>Arrangement</td>
<td>74</td>
</tr>
<tr>
<td>Provisions for facilitating arrangements and compromises, S. 137-A</td>
<td></td>
</tr>
<tr>
<td>When binding on creditors, S. 215</td>
<td>101</td>
</tr>
<tr>
<td>Arrest</td>
<td>95</td>
</tr>
<tr>
<td>Power of court to absconding contributory, S. 197</td>
<td></td>
</tr>
<tr>
<td>Articles</td>
<td></td>
</tr>
<tr>
<td>Alteration of memorandum or articles, to be noted in every copy, S. 26-A</td>
<td>10</td>
</tr>
<tr>
<td>Power to substitute, for deed of settlement, S. 25-6</td>
<td>124</td>
</tr>
<tr>
<td>Articles of Association</td>
<td></td>
</tr>
<tr>
<td>Alteration of, by special resolution, S. 20</td>
<td>9</td>
</tr>
<tr>
<td>Application of Table A, S. 18</td>
<td>9</td>
</tr>
<tr>
<td>Copies to be given to members, S. 25</td>
<td>10</td>
</tr>
<tr>
<td>Dedication of, S. 2 (1) (1)</td>
<td>1</td>
</tr>
<tr>
<td>Effect of, S. 31</td>
<td>9</td>
</tr>
<tr>
<td>Form and signature of, S. 19</td>
<td>9</td>
</tr>
<tr>
<td>Registration of, S. 17</td>
<td>9</td>
</tr>
<tr>
<td>Assets</td>
<td>92</td>
</tr>
<tr>
<td>Application of, S. 184</td>
<td></td>
</tr>
<tr>
<td>Payments of certain debts out of, subject to floating charge in priority to claims under the charge, S. 129</td>
<td>68</td>
</tr>
<tr>
<td>Assignment</td>
<td>34</td>
</tr>
<tr>
<td>Of office by directors, S. 85-B</td>
<td></td>
</tr>
<tr>
<td>Associations</td>
<td></td>
</tr>
<tr>
<td>Prohibition of partnerships exceeding certain number, S. 4</td>
<td>3</td>
</tr>
<tr>
<td>Not for profit, S. 26</td>
<td>11</td>
</tr>
<tr>
<td>Attachments</td>
<td>109</td>
</tr>
<tr>
<td>Avoidance of certain, S. 232</td>
<td></td>
</tr>
<tr>
<td>Auditors</td>
<td>75</td>
</tr>
<tr>
<td>Powers and duties of, S. 145</td>
<td></td>
</tr>
<tr>
<td>Qualifications and appointment of, S. 144</td>
<td>74</td>
</tr>
<tr>
<td>Auditor's Report</td>
<td></td>
</tr>
<tr>
<td>Right of member of company to copy of, S. 135</td>
<td>70</td>
</tr>
<tr>
<td>Rights of preference share-holders, to receive and inspection of, S. 146</td>
<td>76</td>
</tr>
<tr>
<td>Authentication</td>
<td></td>
</tr>
<tr>
<td>Of balance-sheet, S. 183</td>
<td>89</td>
</tr>
<tr>
<td>Of documents, S. 150</td>
<td>77</td>
</tr>
<tr>
<td>Of statement of existing companies, S. 237</td>
<td>121</td>
</tr>
<tr>
<td>Authorised Capital</td>
<td>27</td>
</tr>
<tr>
<td>Publication of, S. 75</td>
<td></td>
</tr>
<tr>
<td>Avoidance</td>
<td></td>
</tr>
<tr>
<td>Of certain attachments, executions to, S. 233</td>
<td>109</td>
</tr>
<tr>
<td>Of provisions relieving liability of directors, S. 89-C</td>
<td>95</td>
</tr>
<tr>
<td>Of transfers after commencement of winding up, S. 227</td>
<td>108</td>
</tr>
</tbody>
</table>

**Balance-sheet**
- Annual, S. 131                                                        | 67   |
- Authentication of, S. 133                                             | 69   |
- Contents of, S. 132                                                  | 68   |
- Copy of, to be forwarded to registrar, S. 134                         | 70   |
- Right of member of company to copies of, S. 131                       | 70   |
- Statement in, as to commissions and discounts, S. 136                 | 58   |
- To include particulars as to subsidiary companies, S. 132 A           | 68   |

**Bank**
- Payments of liquidator into, S. 244 A                                 | 115  |
- Power of court to order payment into, S. 183                           | 93   |

**Banking Company**
- Cash reserves, S. 277 L                                               | 135  |
- Definition of, S. 277 F                                              | 132  |
- Limitation of activities of banking company, S. 277 G                 | 134  |
- Not to employ managing agent, S. 277 H                                | 134  |
- On registration of, with limited liability, notice to be given to customers, S. 259 | 121  |
- Power of Court to stay proceedings, S. 277 N                          | 133  |
- Prohibition of charge on unpaid capital, S. 277 J                     | 131  |
- Reserve fund, S. 277 K                                               | 135  |
- Restriction on commencement of business by, S. 277 J                  | 134  |
- Restriction on nature of subsidiary companies, S. 277 M               | 135  |

**Bankrupt**
- Insolvency of, to act as director, S. 86 A                            | 34   |

**Bearer**
- Issue of share-warrant to, S. 43                                      | 17   |
- Position of, of share-warrant, S. 46                                   | 17   |
- Registration of name of, of share-warrant, S. 48                       | 17   |

**Bills of Exchange**
- Of company, S. 89                                                     | 41   |

**Books**
- Inspection of, S. 140                                                 | 72   |
- Penalty for falsification of, S. 238                                   | 110  |
- To be kept by company and penalty for not keeping proper books, S. 130 | 67   |

**Books of Account**
- Company to keep proper, and penalty for not keeping proper, S. 130     | 67   |

**Branch Register**
- Power for company to keep, in the United Kingdom, S. 41               | 16   |

**Branch of Trust**
- Power of Court to assess damages against delinquent directors, S. 535 | 108  |

**British India**
- Requirements as to companies established outside, S. 277              | 124  |
<table>
<thead>
<tr>
<th>Page</th>
<th>British Register of Regulations as to, S. 42</th>
<th>17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Business</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Liability for carrying on, with fewer than seven, or,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>in the case of a private company, two members, S. 147</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Managing agent not to engage in, competing with the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>business of managed company, S. 87 4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Restrictions on commencement of, S. 108</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Restriction on commencement of business by banking</td>
<td></td>
</tr>
<tr>
<td></td>
<td>company, S. 277 1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Calls</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Power of court to make, S. 187</td>
<td>91</td>
</tr>
<tr>
<td></td>
<td>Capital</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Further issue of, S. 105 C</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>Of charge on unpaid capital of banking company, S. 277</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash reserve</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Of Banking Company, S. 277 1</td>
<td>135</td>
</tr>
<tr>
<td></td>
<td>Certificate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Conclusiveness of, of incorporation, S. 2 4</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Endorsement of, of registration on debenture or, of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>debenture stock, S. 115</td>
<td></td>
</tr>
<tr>
<td></td>
<td>of registration of mortgage or charge, S. 114</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Of registration of existing companies, S. 262</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>Of shares or stock, S. 29</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Change</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Of name of company, S. 11</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Charges</td>
<td></td>
</tr>
<tr>
<td></td>
<td>See FLOATING CHARGES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Certain, to be void if not registered, S. 109</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Certificate of registration of, S. 114</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Copy of instrument creating, to be kept at registered</td>
<td></td>
</tr>
<tr>
<td></td>
<td>office, S. 117</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Duty of company and right of interested party as</td>
<td></td>
</tr>
<tr>
<td></td>
<td>regards registration of, S. 116</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Index to register of, S. 113</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>Payments of certain debts out of assets subject to</td>
<td></td>
</tr>
<tr>
<td></td>
<td>floating charge in priority to claims under the, S. 129</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Penalty for failing to file with registrar of, S. 122</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prohibition of, on unpaid capital of banking company,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>S. 277 1</td>
<td>134</td>
</tr>
<tr>
<td></td>
<td>Rectification of register of, S. 120</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Register of, S. 112</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Registration of charges on properties acquired</td>
<td></td>
</tr>
<tr>
<td></td>
<td>subject to charge, S. 109 A, 277 1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Registration of satisfaction of, S. 123</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Page</th>
<th>Charges—Contd. Right to inspect copies of instru</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ments creating, S. 124</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Charitable Companies Power of local Government to</td>
<td></td>
</tr>
<tr>
<td></td>
<td>dispense with 'limited' in name of, S. 28</td>
<td>76</td>
</tr>
<tr>
<td></td>
<td>Claims Payments of certain debts out of assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>subject to floating charge in priority to, under</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the charge, S. 128</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cognizance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Of offences, S. 273</td>
<td>133</td>
</tr>
<tr>
<td></td>
<td>Commencement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Avoidance of transfers other, of winding up, S. 227</td>
<td>105</td>
</tr>
<tr>
<td></td>
<td>Of voluntary winding up, S. 204</td>
<td>88</td>
</tr>
<tr>
<td></td>
<td>Of winding up by Court, S. 168</td>
<td>88</td>
</tr>
<tr>
<td></td>
<td>Restrictions on, of business, S. 103</td>
<td>58</td>
</tr>
<tr>
<td></td>
<td>Commission</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Particulars in case of, on debentures, S. 111</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>Power to pay certain, S. 105</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Prohibition of payment of all other, S. 108</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Statement in balance-sheet as to, S. 176</td>
<td>58</td>
</tr>
<tr>
<td></td>
<td>Committee of Inspection</td>
<td></td>
</tr>
<tr>
<td></td>
<td>See Inspection.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Company See BANKING COMPANY; CHARITABLE COMPANIES;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>INSOLVENT COMPANIES; JOINT STOCK COMPANIES; Managi</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ng Agent, REGISTERED COMPANY.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Addition of 'Limited' to, S. 261</td>
<td>122</td>
</tr>
<tr>
<td></td>
<td>Addition to name of, of 'and reduced,' S. 67</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Annual balance-sheet of, S. 131</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>Annual General Meeting of, S. 76</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Annual list of members and summary, S. 32</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Application of Act to, formed under former Companies</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Acts, S. 169</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Application of Act to, registered but not formed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>under former Companies Acts, S. 233</td>
<td>119</td>
</tr>
<tr>
<td></td>
<td>Application of Act to, registered but not formed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>under former Companies Acts, S. 233</td>
<td>119</td>
</tr>
<tr>
<td></td>
<td>Application of s. 93, to the case of property</td>
<td></td>
</tr>
<tr>
<td></td>
<td>taken on lease, S. 93</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>Appointment in certain cases of voluntary liquidators</td>
<td></td>
</tr>
<tr>
<td></td>
<td>to office of official liquidators, S. 290</td>
<td>105</td>
</tr>
<tr>
<td></td>
<td>Appointment of directors, S. 83 2</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>Appointment of official liquidator, S. 175</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Arrangement when binding on creditors, S. 223</td>
<td>86</td>
</tr>
<tr>
<td></td>
<td>Auditors Powers and duties of, S. 115</td>
<td>105</td>
</tr>
<tr>
<td></td>
<td>Authorization of balance-sheet, S. 133</td>
<td>76</td>
</tr>
<tr>
<td></td>
<td>Authorization of documents by, S. 153</td>
<td>69</td>
</tr>
<tr>
<td></td>
<td>Authorization of statement of existing, S. 257</td>
<td>121</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GENERAL INDEX</th>
<th>CCXLIII</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAGE</td>
<td>PAGE</td>
</tr>
<tr>
<td>Charges—Contd.</td>
<td>Right to inspect copies of instruments creating, S. 124</td>
</tr>
<tr>
<td>Charitable Companies</td>
<td>Power of local Government to dispense with 'limited' in name of, S. 28</td>
</tr>
<tr>
<td>Claims</td>
<td>Payments of certain debts out of assets subject to floating charge in priority to, under the charge, S. 128</td>
</tr>
<tr>
<td>Cognizance</td>
<td>Of offences, S. 273</td>
</tr>
<tr>
<td>Commencement</td>
<td>Avoidance of transfers other, of winding up, S. 227</td>
</tr>
<tr>
<td></td>
<td>Of voluntary winding up, S. 204</td>
</tr>
<tr>
<td></td>
<td>Of winding up by Court, S. 168</td>
</tr>
<tr>
<td></td>
<td>Restrictions on, of business, S. 103</td>
</tr>
<tr>
<td>Commission</td>
<td>Particulars in case of, on debentures, S. 111</td>
</tr>
<tr>
<td></td>
<td>Power to pay certain, S. 105</td>
</tr>
<tr>
<td></td>
<td>Prohibition of payment of all other, S. 108</td>
</tr>
<tr>
<td></td>
<td>Statement in balance-sheet as to, S. 176</td>
</tr>
<tr>
<td>Committee of Inspection</td>
<td>See Inspection.</td>
</tr>
<tr>
<td>Company</td>
<td>See BANKING COMPANY; CHARITABLE COMPANIES; INSOLVENT COMPANIES; JOINT STOCK COMPANIES; MANAGING AGENT, REGISTERED COMPANY.</td>
</tr>
<tr>
<td>Addition of 'Limited' to, S. 261</td>
<td>122</td>
</tr>
<tr>
<td></td>
<td>Addition to name of, of 'and reduced,' S. 67</td>
</tr>
<tr>
<td></td>
<td>Annual balance-sheet of, S. 131</td>
</tr>
<tr>
<td></td>
<td>Annual General Meeting of, S. 76</td>
</tr>
<tr>
<td></td>
<td>Annual list of members and summary, S. 32</td>
</tr>
<tr>
<td></td>
<td>Application of Act to, formed under former Companies Acts, S. 233</td>
</tr>
<tr>
<td></td>
<td>Application of Act to, registered but not formed under former Companies Acts, S. 233</td>
</tr>
<tr>
<td></td>
<td>Application of s. 93, to the case of property taken on lease, S. 93</td>
</tr>
<tr>
<td></td>
<td>Appointment in certain cases of voluntary liquidators to office of official liquidators, S. 290</td>
</tr>
<tr>
<td></td>
<td>Appointment of directors, S. 83 2</td>
</tr>
<tr>
<td></td>
<td>Appointment of official liquidator, S. 175</td>
</tr>
<tr>
<td></td>
<td>Arrangement when binding on creditors, S. 223</td>
</tr>
<tr>
<td></td>
<td>Auditors Powers and duties of, S. 115</td>
</tr>
<tr>
<td></td>
<td>Authorization of balance-sheet, S. 133</td>
</tr>
<tr>
<td></td>
<td>Authorization of documents by, S. 153</td>
</tr>
<tr>
<td></td>
<td>Authorization of statement of existing, S. 257</td>
</tr>
</tbody>
</table>
### Companies Act (VII of 1913)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoidance of certain attachments, executions, etc., S. 232</td>
<td>109</td>
</tr>
<tr>
<td>Avoidance of transfers, etc., after commencement of winding up</td>
<td>105</td>
</tr>
<tr>
<td>Balance-sheet to include particulars as to subsidiary company, S. 132A</td>
<td>68</td>
</tr>
<tr>
<td>Bills of exchange by or on behalf of, S. 89</td>
<td>41</td>
</tr>
<tr>
<td>Books to be kept by, and penalty for not keeping proper books, S. 1-9</td>
<td>67</td>
</tr>
<tr>
<td>Calling of extraordinary general meeting on requisition, S. 78</td>
<td>59</td>
</tr>
<tr>
<td>Capable of being registered, S. 226</td>
<td>119</td>
</tr>
<tr>
<td>Certain companies to publish statement in Schedule, S. 130</td>
<td>70</td>
</tr>
<tr>
<td>Certain mortgages and charges to be void, if not registered, S. 106</td>
<td>59</td>
</tr>
<tr>
<td>Certificate of registration of existing, S. 129</td>
<td>122</td>
</tr>
<tr>
<td>Circumstances in which, may be wound up by court, S. 162</td>
<td>83</td>
</tr>
<tr>
<td>Circumstances in which, may be wound up voluntarily, S. 263</td>
<td>96</td>
</tr>
<tr>
<td>Commencement of winding up by court, S. 138</td>
<td>55</td>
</tr>
<tr>
<td>Committee of inspection in compulsory winding up, S. 176-A</td>
<td>89</td>
</tr>
<tr>
<td>Conclusiveness of certificate of incorporation, S. 24</td>
<td>10</td>
</tr>
<tr>
<td>Companies capable of being registered, S. 254</td>
<td>119</td>
</tr>
<tr>
<td>Condition of balance sheets of, S. 132</td>
<td>68</td>
</tr>
<tr>
<td>Continuation of existing suits by or against, S. 263</td>
<td>122</td>
</tr>
<tr>
<td>Contracts by agents of, in which is undisclosed principal, S. 91-D</td>
<td>43</td>
</tr>
<tr>
<td>Copy of instrument creating mortgage or charge to be kept at registered office, S. 117</td>
<td>62</td>
</tr>
<tr>
<td>Copies of memorandum and articles to be given to members, S. 55</td>
<td>10</td>
</tr>
<tr>
<td>Copy of winding up order to be filed with registrar, S. 172</td>
<td>86</td>
</tr>
<tr>
<td>Cost of voluntary winding up, S. 217</td>
<td>104</td>
</tr>
<tr>
<td>Custody of property of, S. 178</td>
<td>89</td>
</tr>
<tr>
<td>Definition of, S. 2 (1) [2]</td>
<td>1</td>
</tr>
<tr>
<td>Director, qualification of, S. 63-A</td>
<td>34</td>
</tr>
<tr>
<td>Directors' remuneration, S. 63-A</td>
<td>38</td>
</tr>
<tr>
<td>Disclosure of interest by director, S. 81-A</td>
<td>42</td>
</tr>
<tr>
<td>Disclosed of official liquidator, S. 189</td>
<td>91</td>
</tr>
<tr>
<td>Disclosure to members in case of contract appointing managers, S. 91-C</td>
<td>43</td>
</tr>
<tr>
<td>Disposal of documents of, S. 242</td>
<td>114</td>
</tr>
<tr>
<td>Dissolution, S. 94</td>
<td>94</td>
</tr>
<tr>
<td>Distribution of property of, S. 211</td>
<td>102</td>
</tr>
<tr>
<td>Documents of, to be evidenced, S. 240</td>
<td>113</td>
</tr>
<tr>
<td>Duty of, and right of interested party as regards registration, S. 116</td>
<td>62</td>
</tr>
<tr>
<td>Duty of liquidator to call meetings of, and of creditors at end of each year, S. 209</td>
<td>101</td>
</tr>
<tr>
<td>Effect of irregular allotment made by, S. 102</td>
<td>53</td>
</tr>
<tr>
<td>Effect of memorandum and articles, S. 21</td>
<td>9</td>
</tr>
<tr>
<td>Effect of registration of memorandum, S. 23</td>
<td>10</td>
</tr>
<tr>
<td>Effect of registration under Act, S. 268</td>
<td>122</td>
</tr>
<tr>
<td>Effect of supervision order, S. 225</td>
<td>156</td>
</tr>
<tr>
<td>Effect of voluntary winding up on status of, S. 205, S. 107</td>
<td>86, 57</td>
</tr>
<tr>
<td>Effect of winding up order, S. 167</td>
<td>65</td>
</tr>
<tr>
<td>Endorsement of certificate of registration of debenture certificate of debenture stock, S. 116</td>
<td>62</td>
</tr>
<tr>
<td>Enforcing submission of returns and documents to Registrar, S. 249-A</td>
<td>118</td>
</tr>
<tr>
<td>Execution of deeds abroad by or on behalf of, S. 93</td>
<td>42</td>
</tr>
<tr>
<td>Exemption of certain from payment of fees, S. 59</td>
<td>122</td>
</tr>
<tr>
<td>Exercise and control of Liquidator's power, S. 189</td>
<td>91</td>
</tr>
<tr>
<td>Extraordinary and special resolutions, S. 81</td>
<td>31</td>
</tr>
<tr>
<td>Filing of prospectus of, S. 52</td>
<td>44</td>
</tr>
<tr>
<td>Form of contracts by or on behalf of, S. 89</td>
<td>41</td>
</tr>
<tr>
<td>Former registration offices, registers, and registrars continued, S. 286</td>
<td>138</td>
</tr>
<tr>
<td>Fraudulent preference, S. 231</td>
<td>109</td>
</tr>
<tr>
<td>General scheme of liquidation may be sanctioned, S. 234</td>
<td>12</td>
</tr>
<tr>
<td>Index of members of, S. 31 A</td>
<td>113</td>
</tr>
<tr>
<td>Investigation of affairs of, by inspectors, S. 138</td>
<td>72</td>
</tr>
<tr>
<td>Liability as contributories of present and past members, S. 156</td>
<td>81</td>
</tr>
<tr>
<td>Liability for carrying on business with fewer than seven or, in the case of a private company, two members, S. 147</td>
<td>78</td>
</tr>
<tr>
<td>Liability of directors whose liability is unlimited, S. 137</td>
<td>83</td>
</tr>
<tr>
<td>Liability for statements in prospectus, S. 109</td>
<td>50</td>
</tr>
<tr>
<td>Liability of members in respect of reduced shares, S. 3</td>
<td>22</td>
</tr>
<tr>
<td>Limitation of time for issue of certificates, S. 109</td>
<td>59</td>
</tr>
<tr>
<td>Limited by guarantee, S. 27</td>
<td>11</td>
</tr>
<tr>
<td>Memorandum of, limited by guarantors, S. 7</td>
<td>5</td>
</tr>
<tr>
<td>Memorandum of, limited by shares, S. 5</td>
<td>4</td>
</tr>
<tr>
<td>Minute of reduction to form part of memorandum, S. 62</td>
<td>22</td>
</tr>
<tr>
<td>Mode of forming incorporated company, S. 5</td>
<td>4</td>
</tr>
<tr>
<td>Mode of transferring, registered under former Acts, S. 262</td>
<td>119</td>
</tr>
<tr>
<td>Topic</td>
<td>Page</td>
</tr>
<tr>
<td>-------</td>
<td>------</td>
</tr>
<tr>
<td><strong>Contract—Concl.</strong></td>
<td></td>
</tr>
<tr>
<td>Prohibition of voting by interested director, S. 91 B.</td>
<td>43</td>
</tr>
<tr>
<td>Specific performance of, to subscribe for debentures, S. 128</td>
<td>68</td>
</tr>
<tr>
<td>Sanction of directors necessary for certain, S. 86 F</td>
<td>104</td>
</tr>
<tr>
<td><strong>Contributories</strong></td>
<td></td>
</tr>
<tr>
<td>Adjustment of rights of, S. 192</td>
<td>93</td>
</tr>
<tr>
<td>Court may have regard to wishes of, S. 225</td>
<td>104</td>
</tr>
<tr>
<td>Court may have regard to wishes of, S. 174</td>
<td>96</td>
</tr>
<tr>
<td>In case of death of member, S. 160</td>
<td>127</td>
</tr>
<tr>
<td>In case of insolvency of member, S. 161</td>
<td>91</td>
</tr>
<tr>
<td>In winding up of unregistered companies, S. 272</td>
<td>92</td>
</tr>
<tr>
<td>Liability as of, present and past members, S. 156</td>
<td>82</td>
</tr>
<tr>
<td><strong>Copy</strong></td>
<td></td>
</tr>
<tr>
<td>Of balance sheet to be forwarded to registrar, S. 134</td>
<td>70</td>
</tr>
<tr>
<td>Of instrument creating mortgage or charge to be kept at registered office, S. 117</td>
<td>62</td>
</tr>
<tr>
<td>Of memorandum and articles to be given to members, S. 28</td>
<td>10</td>
</tr>
<tr>
<td>Of winding up order to be filed with registrar, S. 172</td>
<td>81</td>
</tr>
<tr>
<td>Registration of, of special and extraordinary resolutions, S. 82</td>
<td>31</td>
</tr>
<tr>
<td>Right to have, of trust deed, S. 125</td>
<td>65</td>
</tr>
<tr>
<td>Right to inspect, of instruments creating mortgages and charges, S. 124</td>
<td>64</td>
</tr>
<tr>
<td>Right of member of company to, of the balance sheet and the auditor’s report, S. 135</td>
<td>70</td>
</tr>
<tr>
<td><strong>Court</strong></td>
<td></td>
</tr>
<tr>
<td>Adjustment of rights of contributories, S. 192</td>
<td>93</td>
</tr>
<tr>
<td>Application to, for confirming order reducing share capital, S. 86</td>
<td>21</td>
</tr>
<tr>
<td>Appointment of Official Liquidator, S. 175</td>
<td>86</td>
</tr>
<tr>
<td><strong>Court—Concl.</strong></td>
<td></td>
</tr>
<tr>
<td>Before whom affidavit may be sworn, S. 245</td>
<td>115</td>
</tr>
<tr>
<td>Circumstances in which company may be wound up by, S. 182</td>
<td>83</td>
</tr>
<tr>
<td>Commencement of winding up by, S. 168</td>
<td>85</td>
</tr>
<tr>
<td>Definition of, S. 2 (1) (g)</td>
<td>1</td>
</tr>
<tr>
<td>Dissolution of company, S. 194</td>
<td>94</td>
</tr>
<tr>
<td>Effect of petition for winding up subject to supervision of, S. 222</td>
<td>104</td>
</tr>
<tr>
<td>Effect of supervision order of, S. 225</td>
<td>105</td>
</tr>
<tr>
<td>Exercise of discretion in altering memorandum, S. 14</td>
<td>7</td>
</tr>
<tr>
<td>General scheme of liquidation may be sanctioned, S. 234</td>
<td>109</td>
</tr>
<tr>
<td>Jurisdiction of the, S. 3</td>
<td>3</td>
</tr>
<tr>
<td>May grant injunction, S. 169</td>
<td>85</td>
</tr>
<tr>
<td>May have regard to wishes of creditors or contributories, S. 174</td>
<td>86</td>
</tr>
</tbody>
</table>
COMPANIES ACT (VII OF 1913)

Court—Concl.

Power to arrest absconding contributary, S. 197 95

Power to order arrest of contributary, S. 189 95

Power to order costs, S. 193 93

Power to order payment into bank, S. 188 93

Power to order payment of debts by contributary, S. 185 92

Power to order public examination of promoters, directors etc, S. 196 94

Power to order winding up subject to supervision of, S. 221 101

Power to require delivery of property, S. 188 92

Power to require limited company to give security for costs, S. 280 105

Power to require persons suspected of having property of company, S. 195 91

Prosecution of delinquent directors, S. 237 110

Regulation of account with, S. 189 93

Saving of other proceedings, S. 198 95

Settlement of list of contributories and application of assets, S. 184 92

Suits stayed on winding up order, S. 269 125

Creditors.

Arrangement when binding on, S. 215 103

Court may have regard to wishes of, S. 174, 223 85, 104

Duty of liquidator to call meetings of company and of creditors at end of each year, S. 209 G 99

Meeting of, S. 209 A 99

Meetings to ascertain wishes of, S. 239 113

Objections by, and settlement of list of objecting creditors, S. 18 92

Penalty on concealment of name of, S. 64 21

Power to compromise with, and members, S. 153 78

Power to dispense with consent of, on security being given for his debt, S. 59 23

Power to exclude, not proving in time, S. 191 93

Saving for rights of, S. 218 104

Custody.

Of company's property, S. 170 89

Customers.

On registration of banking company with limited liability, notice to be given to, S. 259 101

Page

Damages.

Power of court to assess, against delinquent directors, etc, S. 253 109

Death.

Contributaries in case of, of member, S. 169 83

Debenture.

Definition of, S. 2 (1) (4) 1

Document offering shares or debentures for sale to be deemed a prospectus, S. 98 A 49

Enforcement of certificate of registration on, S. 115 62

Particulars in case of commission, etc, on, S. 111 61

Particulars in case of series of, entitling holders pari passu, S. 110 60

Penalty for failing to file with registrar particulars of issue of, S. 122 64

Perpetual, S. 129 65

Power to re-issue redeemed, in certain cases, S. 127 63

Specific performance of contract to subscribe for, S. 128 66

Debenture-holders.

Particulars in case of series of debentures entitling, pari passu, S. 110 60

Right to inspect the register of, S. 125 65

Debenture Stock.

Endorsement of certificate of, S. 115 62

Debt.

Power to dispense with consent of creditor on security being given for his, S. 59 21

Company when deemed unable to pay its, S. 163 83

Of all descriptions to be proved, S. 228 103

Payments of certain, out of assets subject to floating charge in priority to claims under the charge, S. 129 66

Power to order payment of, by contributary, S. 188 92

Declaration.

Of solvency, S. 207 97

Deeds.

Execution of, abroad, S. 90 42

Power to substitute memorandum and articles for, of settlement, S. 267 124

Directions.

As to property in certain cases, S. 275 127

Directors.

Appointment of, S. 83 B 33

Assignment of office by, S. 86 B 34

Avoidance of provisions relieving liability of, S. 86 C 35

Cesser of directors' powers, S. 209 D 101

Directors' Report, S. 131 A 68

Disclosure of interest by, S. 91 A 42
<table>
<thead>
<tr>
<th>Directors—Cont'd.</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ineligibility of bankrupt to act as director, S. 86 A</td>
<td>34</td>
</tr>
<tr>
<td>Limit on number of, appointed by managing agent, S. 87 I</td>
<td>41</td>
</tr>
<tr>
<td>Liability of directors whose liability is unlimited, S. 157</td>
<td>82</td>
</tr>
<tr>
<td>Limited company may have directors with unlimited liability, S. 70.</td>
<td>23</td>
</tr>
<tr>
<td>Loans of, S. 88 D</td>
<td>38</td>
</tr>
<tr>
<td>Minutes of proceedings of meetings of, S. 83</td>
<td>32</td>
</tr>
<tr>
<td>Not to hold office of profit, S. 86 E</td>
<td>35</td>
</tr>
<tr>
<td>Power of court to assess damages against delinquent, S. 235</td>
<td>94</td>
</tr>
<tr>
<td>Power of court to order public examination of, S. 196</td>
<td>37</td>
</tr>
<tr>
<td>Prohibition of voting by interested, S. 91 I?</td>
<td>34</td>
</tr>
<tr>
<td>Prosecution of delinquent, S. 237</td>
<td>110</td>
</tr>
<tr>
<td>Qualification of, S. 85</td>
<td>34</td>
</tr>
<tr>
<td>Register of directors, managers, and managing agents, S. 87</td>
<td>35</td>
</tr>
<tr>
<td>Removal of, S. 83 G</td>
<td>109</td>
</tr>
<tr>
<td>Restrictions on power of director, S. 83 H</td>
<td>42</td>
</tr>
<tr>
<td>Restrictions on appointment or advertisement of director, S. 84</td>
<td>36</td>
</tr>
<tr>
<td>Sanction of, necessary for certain contracts, S. 86 F</td>
<td>36</td>
</tr>
<tr>
<td>Special resolution of limited company making liability of, unlimited, S. 84</td>
<td>36</td>
</tr>
<tr>
<td>Two, at least, obligatory, S. 88 A</td>
<td>25</td>
</tr>
<tr>
<td>Vacation of office of, S. 86 I</td>
<td>24</td>
</tr>
<tr>
<td>Validity of acts of, S. 89</td>
<td>38</td>
</tr>
</tbody>
</table>

**Disclosure**

| Of Interest by director, S. 91 A | 43 |
| To members in case of contract appointing a manager, S. 91 C | 35 |

**Disbursements**

| Particulars in case of, on debentures, S. 111 | 61 |
| Power to pay certain commissions and prohibition of payment of all other commissions, discounts, etc., S. 105 | 55 |
| Statement in balance-sheet as to, S. 108 | 58 |

**Discretion**

| Exercise of, by Court in altering memorandum S. 14 | 9 |
| O'official liquidator, S. 160 | 35 |

**Dissolution**

| Of company, S. 194 | 94 |
| Power of court to declare, of company void, S. 212 | 14 |

**District Court**

| Definition of, S. 2 (1) (6) | 43 |
| Transfer of winding up from one to another, S. 165 | 84 |
| Winding up may be referred to, S. 164 | 34 |

**Documents**

| Disposal of, of company, S. 242 | 34 |
| Enforcing admission of returns and, to registrar, S. 243 A | 114 |
| Inspection of, S. 241 | 41 |
| Of company to be evidence, S. 242 | 35 |
| Saving of, S. 243 | 92 |
| Service of, on company, S. 149 | 118 |
| Service of, on registrar, S. 149 | 98 |

**Duration**

| Of appointment of managing agent, S. 87 A | 35 |

**Employers**

| Penalty for misapplication of securities by, S. 242 B | 137 |

**Endorsement**

| Of certificate of registration on debenture or certificate of debenture stock, S. 115 | 62 |

**Evidence**

| See FALSE EVIDENCE. | 36 |
| Application for inspection to be supported by, S. 139 | 36 |
| Certificate of registration conclusive evidence, S. 114 | 30 |
| Documents of company to be, S. 240 | 113 |
| Order on contributory conclusive. S. 196 | 35 |
| Registrar may require, as to nature of company, S. 238 | 35 |
| Register to be, S. 40 | 25 |
| Report of inspectors to be, S. 143 | 24 |
| Examination of, S. 110 | 38 |
| Of officers, S. 110 | 42 |
| Power of court to order public, of promoters, directors, etc., S. 196 | 94 |
| Results of, how dealt with, S. 141 | 58 |
| Avoidance of, S. 232 | 43 |
| Exemption of certain companies from payment of fees, S. 260 | 61 |
| Existing Company | 221 |
| Definition of, S. 2 (1) (7) | 55 |
| Explanation of, S. 137 | 58 |
| Power of registrar to call for, S. 157 | 71 |
| Extraordinary General Meeting | 29 |
| Calling of, on requisition, S. 19 | 1 |
| Extraordinary resolution and special resolution, S. 81 | 31 |

**Failure**

<p>| Effect of, to register memorandum within 3 months, S. 16 | 91 |
| False Evidence | 8 |
| Penalty for, S. 238 | 111 |
| False Statement | 137 |
| Fees | 122 |
| Exemption of certain companies from payment of, S. 260 | 43 |
| For registration, etc., S. 249 | 118 |</p>
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filing</td>
<td>Of accounts of receivers, S. 119</td>
</tr>
<tr>
<td></td>
<td>Of prospectus of company, S. 82</td>
</tr>
<tr>
<td>Fines</td>
<td>Applications of, S. 279</td>
</tr>
<tr>
<td>Filing charge</td>
<td>Effect of, S. 233</td>
</tr>
<tr>
<td></td>
<td>Payment of certain debts out of assets subject to, in priority to claims under the charge, S. 129</td>
</tr>
<tr>
<td>Forms</td>
<td>Application and alteration of, S. 161</td>
</tr>
<tr>
<td></td>
<td>Of articles, S. 19</td>
</tr>
<tr>
<td></td>
<td>Of contracts, S. 88</td>
</tr>
<tr>
<td>Preference</td>
<td>Voluntary winding up, S. 231</td>
</tr>
<tr>
<td>General Meetings</td>
<td>See ANNUAL GENERAL MEETING Duty of liquidator to call, at end of each year, S. 208 D</td>
</tr>
<tr>
<td></td>
<td>Minutes of proceedings of, and its directors, S. 83</td>
</tr>
<tr>
<td>Guarantee</td>
<td>Memorandum of company limited by, S. 7</td>
</tr>
<tr>
<td></td>
<td>Provision as to companies limited by, S. 27</td>
</tr>
<tr>
<td>House</td>
<td>Does not include an office used for business purposes, S. 277 C.</td>
</tr>
<tr>
<td>Interpretation</td>
<td>Conclusiveness of certificate of, S. 24.</td>
</tr>
<tr>
<td>Increase</td>
<td>Of share capital in case of a company limited by guarantee having a share capital, S. 66</td>
</tr>
<tr>
<td>Index</td>
<td>Of members of company, S. 31 A.</td>
</tr>
<tr>
<td></td>
<td>To register of mortgages and charges, S. 113</td>
</tr>
<tr>
<td>Insurance Companies Act, 1912</td>
<td>Savings for, S. 287</td>
</tr>
<tr>
<td>Information</td>
<td>As to pending liquidations, S. 244</td>
</tr>
<tr>
<td></td>
<td>Power of registrar to call for, S. 137</td>
</tr>
<tr>
<td>Injunction</td>
<td>Court may grant, S. 109</td>
</tr>
<tr>
<td>Insolvency</td>
<td>Contributors in case of, of member, S. 161</td>
</tr>
<tr>
<td>Insolvency rules</td>
<td>Application of, in winding up of insolvent companies, S. 229</td>
</tr>
<tr>
<td>Insolvent Company</td>
<td>Application of insolvent company rules in winding up of, S. 229</td>
</tr>
<tr>
<td>Inspection</td>
<td>Application for, to be supported by evidence, S. 189</td>
</tr>
<tr>
<td></td>
<td>Appointment of committee of, S. 209 C.</td>
</tr>
<tr>
<td></td>
<td>Committee of, in compulsory winding up, S. 176 A.</td>
</tr>
<tr>
<td></td>
<td>Of books and examination of officers, S. 149</td>
</tr>
<tr>
<td></td>
<td>Of documents, S. 241</td>
</tr>
<tr>
<td></td>
<td>Of register of members, S. 36</td>
</tr>
<tr>
<td></td>
<td>Report of inspectors to be evidence, S. 143</td>
</tr>
<tr>
<td></td>
<td>Right of, of the register of debenture holders and to have copies of trust deed, S. 125</td>
</tr>
<tr>
<td></td>
<td>Rights of preference share-holders etc. as to receipts and, of reports etc., S. 146</td>
</tr>
<tr>
<td></td>
<td>Right to, of copies of instruments creating mortgages and charges and company’s register of mortgages, S. 124</td>
</tr>
<tr>
<td>Inspectors</td>
<td>Investigation of affairs of company by, S. 138</td>
</tr>
<tr>
<td></td>
<td>Power of company to appoint, S. 163</td>
</tr>
<tr>
<td></td>
<td>Report of, to be evidence, S. 143</td>
</tr>
<tr>
<td></td>
<td>Results of examination how dealt with, S. 141</td>
</tr>
<tr>
<td>Insurance Company</td>
<td>Definition of, S. 2(1)(B)</td>
</tr>
<tr>
<td>Interest</td>
<td>Power of company to pay, out of capital in certain cases, S. 167</td>
</tr>
<tr>
<td>Interested Party</td>
<td>Right of, as regards registration, S. 118</td>
</tr>
<tr>
<td>Investigation</td>
<td>Of affairs of company by inspectors, S. 158</td>
</tr>
<tr>
<td>Joint Stock Companies</td>
<td>Definition of, S. 234</td>
</tr>
<tr>
<td></td>
<td>Registrar of, in Act XXII of 1860, Construction of, S. 288</td>
</tr>
<tr>
<td></td>
<td>Requirements for registration by, and other than, Ss. 259 and 260</td>
</tr>
<tr>
<td>Jurisdiction</td>
<td>Of the courts, S. 3</td>
</tr>
<tr>
<td>Lease</td>
<td>Application of S. 93 to the case of property taken on, S. 95</td>
</tr>
<tr>
<td>Legal Assistance</td>
<td>Provision for, to official liquidator, S. 181</td>
</tr>
<tr>
<td>Legal Representative</td>
<td>Transfer of share by, S. 35</td>
</tr>
<tr>
<td>Topic</td>
<td>Pages</td>
</tr>
<tr>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Liability</td>
<td>115-116</td>
</tr>
<tr>
<td>As contributories of present and past members, S. 156</td>
<td>81</td>
</tr>
<tr>
<td>For carrying on business with fewer than seven or, in the case of a private company, two members, S. 147</td>
<td>76</td>
</tr>
<tr>
<td>For statements in prospectus, S. 100</td>
<td>50</td>
</tr>
<tr>
<td>Of directors whose liability is unlimited, S. 157</td>
<td>82</td>
</tr>
<tr>
<td>Of members in respect of reduced shares, S. 63</td>
<td>22</td>
</tr>
<tr>
<td>Limitation</td>
<td>88</td>
</tr>
<tr>
<td>Of time for issue of certificates, S. 105</td>
<td>58</td>
</tr>
<tr>
<td>Of directors, S. 261</td>
<td>122</td>
</tr>
<tr>
<td>Penalty for improper use of word, S. 263</td>
<td>138</td>
</tr>
<tr>
<td>Limited Company</td>
<td>40</td>
</tr>
<tr>
<td>Increase and reduction of share capital of, by guarantee having a share-capital, S. 66</td>
<td>23</td>
</tr>
<tr>
<td>May have directors with unlimited liability, S. 70</td>
<td>25</td>
</tr>
<tr>
<td>Memorandum of company limited by guarantee, S. 7</td>
<td>5</td>
</tr>
<tr>
<td>Memorandum of company limited, by shares, S. 6</td>
<td>4</td>
</tr>
<tr>
<td>On registration of banking company as, notice to be given to customers, S. 259</td>
<td>121</td>
</tr>
<tr>
<td>Power of, to alter its share capital, S. 59</td>
<td>18</td>
</tr>
<tr>
<td>Power to require, to give security for costs, S. 289</td>
<td>130</td>
</tr>
<tr>
<td>Provision as to, companies limited by guarantee, S. 77</td>
<td>11</td>
</tr>
<tr>
<td>Publication of name by a, S. 73</td>
<td>29</td>
</tr>
<tr>
<td>Registration of unlimited company as, S. 67</td>
<td>24</td>
</tr>
<tr>
<td>Reserve liability of, S. 69</td>
<td>22</td>
</tr>
<tr>
<td>Special resolution of, making liability of directors unlimited, S. 71</td>
<td>25</td>
</tr>
<tr>
<td>Liquidation</td>
<td>41</td>
</tr>
<tr>
<td>General scheme of, may be sanctioned, S. 234</td>
<td>109</td>
</tr>
<tr>
<td>Information as to pending, S. 244</td>
<td>114</td>
</tr>
<tr>
<td>Liquidator</td>
<td>43</td>
</tr>
<tr>
<td>See Official Liquidator</td>
<td></td>
</tr>
<tr>
<td>Appointment in certain cases of voluntary, to office of official liquidator, S. 229</td>
<td>103</td>
</tr>
<tr>
<td>Appointment of, S. 208-B</td>
<td>108</td>
</tr>
<tr>
<td>Duty of, to call general meeting at end of each year, S. 206-D</td>
<td>98</td>
</tr>
<tr>
<td>Duty of, to call meetings of company and of creditors at end of each year, S. 209-G</td>
<td>98</td>
</tr>
<tr>
<td>Effect of supervision order, S. 225</td>
<td>101</td>
</tr>
<tr>
<td>Fixing of liquidator's remuneration and cess of director's powers S. 269-D</td>
<td>103</td>
</tr>
<tr>
<td>Notice by, of his appointment, S. 214</td>
<td>103</td>
</tr>
<tr>
<td>Official books to be kept by, in winding up, S. 182</td>
<td>91</td>
</tr>
<tr>
<td>Liquidator—Contd.</td>
<td>115</td>
</tr>
<tr>
<td>Payments of, into bank, S. 244-A</td>
<td>115</td>
</tr>
<tr>
<td>Power for court to appoint or remove, S. 224</td>
<td>104</td>
</tr>
<tr>
<td>Power of company to appointment and fix remuneration of, S. 208-A</td>
<td>97</td>
</tr>
<tr>
<td>Power of Court to appoint and remove in voluntary winding up, S. 213</td>
<td>103</td>
</tr>
<tr>
<td>Power of, to accept shares, as etc. consideration for sale of property of company, S. 263 C</td>
<td>98</td>
</tr>
<tr>
<td>Powers and duties of, in voluntary winding up, S. 212</td>
<td>102</td>
</tr>
<tr>
<td>Power to fill vacancy in office of, S. 208 B</td>
<td>97, 101</td>
</tr>
<tr>
<td>Statement by, S. 177-B</td>
<td>88</td>
</tr>
<tr>
<td>Statement of affairs to be made to the, S. 177-A</td>
<td>87</td>
</tr>
<tr>
<td>Vacancy in the office of, S. 174-A</td>
<td>86</td>
</tr>
<tr>
<td>Loans</td>
<td>40</td>
</tr>
<tr>
<td>Of directors, S. 86-D</td>
<td>35</td>
</tr>
<tr>
<td>To managing agents, S. 87-D</td>
<td>40</td>
</tr>
<tr>
<td>To or by companies under the same management, S. 87 E</td>
<td>40</td>
</tr>
<tr>
<td>Local Government</td>
<td>40</td>
</tr>
<tr>
<td>Power of, to dispense with 'limited' in name of charitable and other companies, S. 29</td>
<td>11</td>
</tr>
<tr>
<td>Management and Administration</td>
<td>43</td>
</tr>
<tr>
<td>See Managing Agent</td>
<td></td>
</tr>
<tr>
<td>Annual Balance Sheet, S. 131</td>
<td>67</td>
</tr>
<tr>
<td>Annual general meeting, S. 76</td>
<td>27</td>
</tr>
<tr>
<td>Application and alteration of tables and forms, and power to make rules as to prescribed matters, S. 151</td>
<td>77</td>
</tr>
<tr>
<td>Application for inspection to be supported by evidence, S. 139</td>
<td>72</td>
</tr>
<tr>
<td>Application of section 83 to the case of property taken on lease, S. 82</td>
<td>48</td>
</tr>
<tr>
<td>Appointment of directors, S. 83 B</td>
<td>33</td>
</tr>
<tr>
<td>Authentication balance-sheet, S. 133</td>
<td>69</td>
</tr>
<tr>
<td>Authentication of documents, S. 130</td>
<td>77</td>
</tr>
<tr>
<td>Bills of exchange and promissory notes, S. 69</td>
<td>41</td>
</tr>
<tr>
<td>Calling of extraordinary general meeting on requisition, S. 78</td>
<td>29</td>
</tr>
<tr>
<td>Certain companies to publish statement in schedule, S. 156</td>
<td>70</td>
</tr>
<tr>
<td>Certain mortgages and charges to be void if not registered, S. 169</td>
<td>61</td>
</tr>
<tr>
<td>Certificate of registration, S. 114</td>
<td>50</td>
</tr>
<tr>
<td>Company to keep proper books of account, S. 130</td>
<td>67</td>
</tr>
<tr>
<td>Company's register of mortgages, S. 125</td>
<td>64</td>
</tr>
<tr>
<td>Conversion of private into public company, S. 154</td>
<td>80</td>
</tr>
<tr>
<td>Contents of balance-sheet, S. 132</td>
<td>68</td>
</tr>
<tr>
<td>Contracts by agents of company in which company is undisclosed principal, S. 91 D</td>
<td>43</td>
</tr>
<tr>
<td>Copy of balance-sheet to be forwarded to the registrar, S. 134</td>
<td>36</td>
</tr>
<tr>
<td>Clause</td>
<td>Page</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Management and Administration—Contd.</td>
<td></td>
</tr>
<tr>
<td>Copy of instrument creating mortgage or charge to be kept at registered office, S. 117</td>
<td>62</td>
</tr>
<tr>
<td>Directors obligatory, S. 83-A</td>
<td>63</td>
</tr>
<tr>
<td>Disclosure of interest by director, S. 83-A</td>
<td>64</td>
</tr>
<tr>
<td>Disclosure to members in case of contract appointing a manager, S. 83-A</td>
<td>65</td>
</tr>
<tr>
<td>Duty of company and right of interested party as regards registration, S. 116</td>
<td>66</td>
</tr>
<tr>
<td>Effect of irregular allotment, S. 102</td>
<td>67</td>
</tr>
<tr>
<td>Endorsement of certificate of registration or certificate of debenture stock, S. 115</td>
<td>68</td>
</tr>
<tr>
<td>Execution of deeds abroad, S. 99</td>
<td>69</td>
</tr>
<tr>
<td>Extraordinary and special resolutions, S. 61</td>
<td>70</td>
</tr>
<tr>
<td>Filing of accounts of receivers, S. 119</td>
<td>71</td>
</tr>
<tr>
<td>Filing of prospectus, S. 92</td>
<td>72</td>
</tr>
<tr>
<td>Form of contracts, S. 88</td>
<td>73</td>
</tr>
<tr>
<td>Index to register of mortgages and charges, S. 118</td>
<td>74</td>
</tr>
<tr>
<td>Inspection of books and examination of officers, S. 140</td>
<td>75</td>
</tr>
<tr>
<td>Invalidity of certain conditions as to waiver or notice, S. 98</td>
<td>76</td>
</tr>
<tr>
<td>Investigation of affairs of company by inspectors, S. 108</td>
<td>77</td>
</tr>
<tr>
<td>Liability for carrying on business with fewer than seven or, in the case of a private company, two members, S. 147</td>
<td>78</td>
</tr>
<tr>
<td>Liability for statements in prospectus, S. 109</td>
<td>79</td>
</tr>
<tr>
<td>Limitation of time for issue of certificates, S. 108</td>
<td>80</td>
</tr>
<tr>
<td>Meaning of &quot;vendor&quot; in section 86, S. 84</td>
<td>81</td>
</tr>
<tr>
<td>Minutes of proceedings of general meetings and of its directors, S. 88</td>
<td>82</td>
</tr>
<tr>
<td>Obligations of companies where no prospectus is issued, S. 98</td>
<td>83</td>
</tr>
<tr>
<td>Particulars in cases of commission, etc., on debentures, S. 111</td>
<td>84</td>
</tr>
<tr>
<td>Particulars in cases of series of debentures entitling holders pari passu, S. 119</td>
<td>85</td>
</tr>
<tr>
<td>Payments of certain debts out of assets subject to floating charge in priority to claims under the charge, S. 129</td>
<td>86</td>
</tr>
<tr>
<td>Penalties, S. 122</td>
<td>87</td>
</tr>
<tr>
<td>Penalties for non-publication of name, S. 74</td>
<td>88</td>
</tr>
<tr>
<td>Perpetual debentures, S. 126</td>
<td>89</td>
</tr>
<tr>
<td>Powers and duties of auditors, S. 145</td>
<td>90</td>
</tr>
<tr>
<td>Power for companies to refer matters to arbitration, S. 162</td>
<td>91</td>
</tr>
<tr>
<td>Power for company to have official seal for use abroad, S. 91</td>
<td>92</td>
</tr>
<tr>
<td>Power of company to appoint inspectors, S. 142</td>
<td>93</td>
</tr>
<tr>
<td>Management and Administration—Contd.</td>
<td></td>
</tr>
<tr>
<td>Power of company to pay interest out of capital in certain cases, S. 107</td>
<td>58</td>
</tr>
<tr>
<td>Power of registrar to call for information or explanation, S. 137</td>
<td>59</td>
</tr>
<tr>
<td>Power to compromise with creditors and members, S. 115</td>
<td>60</td>
</tr>
<tr>
<td>Power to pay certain commissions and prohibition of payment of all other commissions, discounts, etc., S. 106</td>
<td>61</td>
</tr>
<tr>
<td>Power to re-issue redeemed debentures in certain cases, S. 127</td>
<td>62</td>
</tr>
<tr>
<td>Prohibition of voting by interested director, S. 91 B</td>
<td>63</td>
</tr>
<tr>
<td>Provisions as to meetings and votes, S. 79</td>
<td>64</td>
</tr>
<tr>
<td>Publication of authorised as well as subscribed and paid up capital, S. 75</td>
<td>65</td>
</tr>
<tr>
<td>Publication of name by a limited company, S. 73</td>
<td>66</td>
</tr>
<tr>
<td>Qualifications and appointment of auditors, S. 144</td>
<td>67</td>
</tr>
<tr>
<td>Qualification of director, S. 88</td>
<td>68</td>
</tr>
<tr>
<td>Rectification of register of mortgages, S. 120</td>
<td>69</td>
</tr>
<tr>
<td>Registered office of company, S. 72</td>
<td>70</td>
</tr>
<tr>
<td>Register of directors, members and managing agents, S. 87</td>
<td>71</td>
</tr>
<tr>
<td>Register of mortgages and charges, S. 112</td>
<td>72</td>
</tr>
<tr>
<td>Registration and copies of special and extraordinary resolutions, S. 82</td>
<td>73</td>
</tr>
<tr>
<td>Registration of appointment of receiver, S. 118</td>
<td>74</td>
</tr>
<tr>
<td>Registration of satisfaction of mortgages and charges, S. 171</td>
<td>75</td>
</tr>
<tr>
<td>Representation of companies at meetings of other companies of which they are members, S. 89</td>
<td>76</td>
</tr>
<tr>
<td>Restriction as to allotment, S. 101</td>
<td>77</td>
</tr>
<tr>
<td>Restriction on alteration of terms mentioned in prospectus or statement in lieu of prospectus, S. 93</td>
<td>78</td>
</tr>
<tr>
<td>Restrictions on appointment or advertisement of director, S. 54</td>
<td>79</td>
</tr>
<tr>
<td>Restrictions on commencement of business, S. 103</td>
<td>80</td>
</tr>
<tr>
<td>Return as to allotments, S. 104</td>
<td>81</td>
</tr>
<tr>
<td>Report of inspectors to be evidence, S. 143</td>
<td>82</td>
</tr>
<tr>
<td>Results of examination how dealt with, S. 141</td>
<td>83</td>
</tr>
<tr>
<td>Rights of preference share-holders, etc., as to receipts and inspection of reports, S. 185</td>
<td>84</td>
</tr>
<tr>
<td>Right of member of company to copies of the balance-sheet and the auditor's reports, S. 189</td>
<td>85</td>
</tr>
<tr>
<td>Right to inspect copies of instruments creating mortgages and charges and company's register of mortgages, S. 121</td>
<td>86</td>
</tr>
<tr>
<td>Topic</td>
<td>Page</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Management and Administration—Concl.</td>
<td></td>
</tr>
<tr>
<td>Right to inspect the register of debenture-holders and to have copies of trust deed, S. 128</td>
<td>65</td>
</tr>
<tr>
<td>Saving in certain cases of non-compliance with section 93, S. 87</td>
<td>48</td>
</tr>
<tr>
<td>Service of documents on company, S. 148</td>
<td>77</td>
</tr>
<tr>
<td>Service of documents on registrar, S. 149</td>
<td>77</td>
</tr>
<tr>
<td>Specific performance of contract to subscribe for debentures, S. 129</td>
<td>65</td>
</tr>
<tr>
<td>Specific requirements as to particulars of prospectus, S. 93</td>
<td>44</td>
</tr>
<tr>
<td>Statement in balance-sheet as to commissions and discounts, S. 169</td>
<td>58</td>
</tr>
<tr>
<td>Statutory meeting of company, S. 77</td>
<td>27</td>
</tr>
<tr>
<td>Validity of acts of directors, S. 86</td>
<td>34</td>
</tr>
<tr>
<td>Manager</td>
<td></td>
</tr>
<tr>
<td>Definition of, S. 2 (1) (b)</td>
<td>2</td>
</tr>
<tr>
<td>Disclosure to members in case of contract appointing, S. 91 C</td>
<td>43</td>
</tr>
<tr>
<td>Register of, S. 87</td>
<td>37</td>
</tr>
<tr>
<td>Managing Agents Ss. 87-A to 87-H. 33 to 41</td>
<td></td>
</tr>
<tr>
<td>Banking company not to employ managing agent, S. 277-H.</td>
<td>134</td>
</tr>
<tr>
<td>Conditions applicable to, S. 87 B. 36</td>
<td>36</td>
</tr>
<tr>
<td>Duration of appointment of, S. 87 A. 39</td>
<td>39</td>
</tr>
<tr>
<td>Limit on number of directors appointed by, S. 87 I.</td>
<td>41</td>
</tr>
<tr>
<td>Loans to, S. 87 D.</td>
<td>49</td>
</tr>
<tr>
<td>Loans to or by companies under the same management, S. 87 E.</td>
<td>40</td>
</tr>
<tr>
<td>Not to engage in business competing with the business of managed company, S. 87 H.</td>
<td>41</td>
</tr>
<tr>
<td>Purchase by company of shares of company under same managing agent, S. 87 F.</td>
<td>41</td>
</tr>
<tr>
<td>Register of, S. 87</td>
<td>37</td>
</tr>
<tr>
<td>Remuneration of, S. 87 C</td>
<td>39</td>
</tr>
<tr>
<td>Restriction on managing agent's powers of management, S. 87 G.</td>
<td>41</td>
</tr>
<tr>
<td>Meetings</td>
<td></td>
</tr>
<tr>
<td>See Extraordinary General Meeting Statutory Meeting.</td>
<td></td>
</tr>
<tr>
<td>Duty of liquidator to call general meeting at end of each year, S. 209 G.</td>
<td>98</td>
</tr>
<tr>
<td>Duty of liquidator to call meetings of company and of creditors at end of each year, S. 209 G.</td>
<td>101</td>
</tr>
<tr>
<td>Extraordinary and special resolutions, S. 81</td>
<td>31</td>
</tr>
<tr>
<td>Final meeting and resolution, S. 209 H.</td>
<td>101</td>
</tr>
<tr>
<td>Provision as to, S. 79</td>
<td>29</td>
</tr>
<tr>
<td>Representation of companies at. of other companies at which they are members, S. 80</td>
<td>31</td>
</tr>
<tr>
<td>To ascertain wishes of creditors or contributories, S. 250</td>
<td>113</td>
</tr>
<tr>
<td>Members</td>
<td></td>
</tr>
<tr>
<td>Copies of memorandum and articles to be given to, S. 25</td>
<td>10</td>
</tr>
</tbody>
</table>

**Members—Concl.**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions in case of death of, S. 160</td>
<td>83</td>
</tr>
<tr>
<td>Contributions in case of insolvency of, S. 164</td>
<td>83</td>
</tr>
<tr>
<td>Definition of, S. 30</td>
<td>12</td>
</tr>
<tr>
<td>Disclosure of, in case of contract appointing a manager, S. 91 C</td>
<td>43</td>
</tr>
<tr>
<td>Index of members of company, S. 81-A</td>
<td>12</td>
</tr>
<tr>
<td>Inspection of register of, S. 96</td>
<td>15</td>
</tr>
<tr>
<td>Liability as contributories of present and past, S. 15</td>
<td>81</td>
</tr>
<tr>
<td>Liability for carrying on business with fewer than seven or, in the case of a private company two, S. 147</td>
<td>70</td>
</tr>
<tr>
<td>Liability of, in respect of reduced share, S. 63</td>
<td>22</td>
</tr>
<tr>
<td>Notice of increase of, S. 53</td>
<td>19</td>
</tr>
<tr>
<td>Notice to registrar of rectification of register of, S. 39</td>
<td></td>
</tr>
<tr>
<td>Powers for company to keep branch register of, in the United Kingdom, S. 41</td>
<td>16</td>
</tr>
<tr>
<td>Power of court to rectify register of, S. 38</td>
<td></td>
</tr>
<tr>
<td>Power to close register of, S. 37</td>
<td></td>
</tr>
<tr>
<td>Power to compromise with creditors and, S. 183</td>
<td></td>
</tr>
<tr>
<td>Register of, S. 31</td>
<td></td>
</tr>
<tr>
<td>Register of, to be evidence, S. 40</td>
<td></td>
</tr>
<tr>
<td>Regulations as to British Register of, S. 42</td>
<td></td>
</tr>
<tr>
<td>Right of, to company copies of the balance-sheet and the auditor's report, S. 135</td>
<td>70</td>
</tr>
<tr>
<td>Representation of companies at meetings of other companies of which they are, S. 90</td>
<td>31</td>
</tr>
</tbody>
</table>

**Memorandum.**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alteration of memorandum or articles to be noted in every copy, S. 53-A.</td>
<td>10</td>
</tr>
<tr>
<td>Definition of, S. 2 (1) (10)</td>
<td>2</td>
</tr>
<tr>
<td>Effect of alteration in, or articles, S. 20 A.</td>
<td>22</td>
</tr>
<tr>
<td>Minute to form part of, S. 62</td>
<td></td>
</tr>
<tr>
<td>Power to subscribe, for deed of settlement, S. 267</td>
<td>124</td>
</tr>
<tr>
<td>Printing and signature of memorandum, S. 9</td>
<td></td>
</tr>
</tbody>
</table>

**Memorandum of Association.**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alteration of, S. 12</td>
<td>6</td>
</tr>
<tr>
<td>Copies of, to be given to members, S. 25</td>
<td>10</td>
</tr>
<tr>
<td>Effect of, S. 21</td>
<td>9</td>
</tr>
<tr>
<td>Effect of failure to register within three months, S. 34</td>
<td>8</td>
</tr>
<tr>
<td>Exercise of discretion by court, S. 14</td>
<td>7</td>
</tr>
<tr>
<td>Mode of forming incorporated company, S. 8</td>
<td>4</td>
</tr>
<tr>
<td>Name of company and change of name, S. 11</td>
<td>6</td>
</tr>
<tr>
<td>Of company limited by guarantee, S. 7</td>
<td>5</td>
</tr>
</tbody>
</table>
### Memorandum of Association—Conclusion

<table>
<thead>
<tr>
<th>Page</th>
<th>Memorandum of Association—Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 6</td>
<td>Of company limited by shares,</td>
</tr>
<tr>
<td>S. 8</td>
<td>Of unlimited company,</td>
</tr>
<tr>
<td>S. 10</td>
<td>Procedure on confirmation of the</td>
</tr>
<tr>
<td>S. 13</td>
<td>alteration,</td>
</tr>
<tr>
<td>S. 22</td>
<td>Registration of,</td>
</tr>
<tr>
<td>S. 10</td>
<td>Restriction on alteration of,</td>
</tr>
<tr>
<td>S. 9</td>
<td>Signature of,</td>
</tr>
</tbody>
</table>

### Minutes

<table>
<thead>
<tr>
<th>Page</th>
<th>Minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 64</td>
<td>Of proceedings of general meetings</td>
</tr>
<tr>
<td>S. 61</td>
<td>and of its directors,</td>
</tr>
<tr>
<td>S. 62</td>
<td>To form part of memorandum,</td>
</tr>
</tbody>
</table>

### Mortgages

<table>
<thead>
<tr>
<th>Page</th>
<th>Mortgages</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 64</td>
<td>Company’s register of,</td>
</tr>
<tr>
<td>S. 61</td>
<td>Certain, to be void if not registered,</td>
</tr>
<tr>
<td>S. 114</td>
<td>Certificate of registration of,</td>
</tr>
<tr>
<td>S. 122</td>
<td>Copy of instrument creating, to be</td>
</tr>
<tr>
<td>S. 117</td>
<td>Duty of company and right of</td>
</tr>
<tr>
<td>S. 116</td>
<td>interest party as regards registration of,</td>
</tr>
<tr>
<td>S. 121</td>
<td>Entry of satisfaction,</td>
</tr>
<tr>
<td>S. 118</td>
<td>Index to register of,</td>
</tr>
<tr>
<td>S. 123</td>
<td>Penalty for failing to file with</td>
</tr>
<tr>
<td>S. 120</td>
<td>Rectification of register of,</td>
</tr>
<tr>
<td>S. 122</td>
<td>Register of,</td>
</tr>
<tr>
<td>S. 121</td>
<td>Registration of satisfaction of</td>
</tr>
<tr>
<td>S. 124</td>
<td>Right to inspect company’s register</td>
</tr>
<tr>
<td>S. 124</td>
<td>Right to inspect copies of instruments creating,</td>
</tr>
</tbody>
</table>

### Name

<table>
<thead>
<tr>
<th>Page</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 67</td>
<td>Addition to, of company of ' and</td>
</tr>
<tr>
<td>S. 66</td>
<td>Reduced S. 67</td>
</tr>
<tr>
<td>S. 201</td>
<td>Addition of ‘Limited’ to, S. 201</td>
</tr>
<tr>
<td>S. 11</td>
<td>Of company and change of, S. 11</td>
</tr>
<tr>
<td>S. 64</td>
<td>Penalty for concealment of, S. 64</td>
</tr>
<tr>
<td>S. 74</td>
<td>Penalties for non-publication of, by a</td>
</tr>
<tr>
<td>S. 73</td>
<td>Publication of, by a limited company,</td>
</tr>
<tr>
<td>S. 73</td>
<td>Registration of, of bearer of share-</td>
</tr>
<tr>
<td>S. 49</td>
<td>Warrant, S. 49</td>
</tr>
</tbody>
</table>

### Notice

<table>
<thead>
<tr>
<th>Page</th>
<th>Notice</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 214</td>
<td>By liquidator of his appointment, S. 214</td>
</tr>
<tr>
<td>S. 85</td>
<td>Invalidity of certain conditions as to, S. 85</td>
</tr>
<tr>
<td>S. 277</td>
<td>Of appointment of receiver, S. 277</td>
</tr>
<tr>
<td>S. 89</td>
<td>Of increase of share capital or of</td>
</tr>
<tr>
<td>S. 201</td>
<td>Of resolution to wind up voluntarily, S. 201</td>
</tr>
</tbody>
</table>

### Notice—Conclusion

<table>
<thead>
<tr>
<th>Page</th>
<th>Notice—Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 259</td>
<td>On registration of banking company with limited liability, notice to be given to customers,</td>
</tr>
<tr>
<td>S. 51</td>
<td>To registrar of consolidation of share capital, conversion of shares into stock, etc., S. 51</td>
</tr>
<tr>
<td>S. 39</td>
<td>To registrar of rectification of register, S. 39</td>
</tr>
</tbody>
</table>

### Objectors

<table>
<thead>
<tr>
<th>Page</th>
<th>Objectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 28</td>
<td>By creditors and settlement of list of objecting creditors, S. 28</td>
</tr>
</tbody>
</table>

### Obligations

<table>
<thead>
<tr>
<th>Page</th>
<th>Obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 27</td>
<td>Of companies where no prospectus is issued, S. 27</td>
</tr>
</tbody>
</table>

### Officers

<table>
<thead>
<tr>
<th>Page</th>
<th>Officers</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 88</td>
<td>Director not to hold, S. 88</td>
</tr>
<tr>
<td>S. 98</td>
<td>Discretion of, S. 98</td>
</tr>
<tr>
<td>S. 106</td>
<td>Examination of, S. 106</td>
</tr>
</tbody>
</table>

### Official books

<table>
<thead>
<tr>
<th>Page</th>
<th>Official books</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 181</td>
<td>To be kept by liquidator in winding up, S. 181</td>
</tr>
</tbody>
</table>

### Official liquidators

<table>
<thead>
<tr>
<th>Page</th>
<th>Official liquidators</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 236</td>
<td>Appointment in certain cases of voluntary liquidators to office of,</td>
</tr>
<tr>
<td>S. 175</td>
<td>Appointment of, S. 175</td>
</tr>
<tr>
<td>S. 180</td>
<td>Custody of company’s property, S. 180</td>
</tr>
<tr>
<td>S. 177</td>
<td>Description and style of, S. 177</td>
</tr>
<tr>
<td>S. 181</td>
<td>Discretion of, S. 181</td>
</tr>
<tr>
<td>S. 182</td>
<td>Exercise and control of powers of, S. 182</td>
</tr>
<tr>
<td>S. 183</td>
<td>Powers of, S. 183</td>
</tr>
<tr>
<td>S. 184</td>
<td>Provision for legal assistance to, S. 184</td>
</tr>
<tr>
<td>S. 185</td>
<td>Resignations, removals, filling up vacancies and compensation, S. 185</td>
</tr>
</tbody>
</table>

### Orders

<table>
<thead>
<tr>
<th>Page</th>
<th>Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 202</td>
<td>Appeals from, S. 202</td>
</tr>
<tr>
<td>S. 172</td>
<td>Application to Court for confirming reducing share capital, S. 172</td>
</tr>
<tr>
<td>S. 167</td>
<td>Conferring reduction, S. 167</td>
</tr>
<tr>
<td>S. 201</td>
<td>Copy of, S. 201</td>
</tr>
<tr>
<td>S. 167</td>
<td>Effect of winding up, S. 167</td>
</tr>
<tr>
<td>S. 185</td>
<td>Made in any Court to be enforced by other Courts, S. 185</td>
</tr>
<tr>
<td>S. 184</td>
<td>Mode of dealing with, to be enforced by other Courts, S. 184</td>
</tr>
<tr>
<td>S. 185</td>
<td>On contributory conclusive evidence, S. 185</td>
</tr>
<tr>
<td>S. 199</td>
<td>Power of Court to enforce, S. 199</td>
</tr>
</tbody>
</table>

### Power of Court to enforce

<table>
<thead>
<tr>
<th>Page</th>
<th>Power of Court to enforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 199</td>
<td></td>
</tr>
</tbody>
</table>

---

### Page Numbers Reference

- S. 6: Of company limited by shares
- S. 8: Of unlimited company
- S. 10: Procedure on confirmation of the alteration
- S. 13: Power of court when confirming alteration
- S. 22: Registration of
- S. 10: Restriction on alteration of
- S. 9: Signature of
- S. 64: Company’s register of
- S. 61: Certain, to be void if not registered
- S. 114: Certificate of registration of
- S. 122: Copy of instrument creating, to be kept at registered office
- S. 117: Duty of company and right of interested party as regards registration
- S. 121: Entry of satisfaction
- S. 118: Index to register of
- S. 123: Penalty for failing to file with registrar particulars of
- S. 120: Rectification of register of
- S. 122: Register of
- S. 121: Registration of satisfaction of mortgages and charges
- S. 124: Right to inspect company’s register
- S. 124: Right to inspect copies of instruments creating
- S. 67: Addition to, of company of ’ and reduced
- S. 66: Addition of ‘Limited’ to, S. 66
- S. 11: Of company and change of, S. 11
- S. 64: Penalty for concealment of, of creditor
- S. 74: Penalties for non-publication of, by a company
- S. 73: Publication of, by a limited company
- S. 73: Registration of, of bearer of share-warrant
- S. 49: Notice—Conclusion
- S. 214: By liquidator of his appointment
- S. 85: Invalidity of certain conditions as to
- S. 277: Of appointment of receiver
- S. 89: Of increase of share capital or of members
- S. 201: Of resolution to wind up voluntarily

---

### Additional Notes

- S. 259: On registration of banking company with limited liability, notice to be given to customers
- S. 51: To registrar of consolidation of share capital, conversion of shares into stock, etc.
- S. 39: To registrar of rectification of register
- S. 28: By creditors and settlement of list of objecting creditors
- S. 27: Of companies where no prospectus is issued
- S. 88: Director not to hold
- S. 98: Discretion of
- S. 106: Examination of
- S. 181: To be kept by liquidator in winding up
- S. 236: Appointment in certain cases of voluntary liquidators to office of
- S. 175: Appointment of
- S. 180: Custody of company’s property
- S. 177: Description and style of
- S. 181: Discretion of
- S. 182: Exercise and control of powers of
- S. 183: Powers of
- S. 184: Provision for legal assistance to
- S. 185: Resignations, removals, filling up vacancies and compensation
- S. 202: Appeals from
- S. 172: Application to Court for confirming reducing share capital
- S. 167: Conferring reduction
- S. 201: Copy of
- S. 167: Effect of winding up
- S. 185: Made in any Court to be enforced by other Courts
- S. 184: Mode of dealing with
- S. 185: On contributory conclusive evidence
- S. 199: Power of Court to enforce

---

### Legal Terms

- **Minute**: Of proceedings of general meetings and of its directors
- **Register**: Company’s register of
- **Mortgage**: Company’s register of
- **Name**: Addition to, of company of ‘ and reduced
- **Notice**: By liquidator of his appointment
- **Orders**: Appeals from
- **Official liquidators**: Appointment in certain cases of voluntary liquidators to office of
- **Office**: Appointment of
- **Officer**: Definition of
- **Penalty**: On concealment of, of creditor
- **Power of Court**: To enforce
Orders—Concl.

Registration of, and minute of reduction, S. 61; 22

Suits stayed on winding up, Ss. 171, 265, 274 ... 55, 125 ...

Paid-up Capital

Publication of, S. 75 ...

Particulars

In case of composition etc. on debentures, S. 111 ...

In case of series of debentures entitling holders pari passu, S. 110 ...

Partnership

Prohibition of, exceeding certain number, S. 4 ...

Payment

Exemption of certain companies from, of taxes, S. 290 ...

Of certain debts out of assets subject to floating charge in priority to claims under the charge, S. 129 ...

Power to order, into Bank, S. 188 ...

Power to order, of debts by contributary, S. 186 ...

Preferential, S. 230 ...

Penalty

For default in filing with registrar particulars of mortgages etc., S. 122 ...

For false evidence, S. 238 ...

For false statement, S. 212 ...

For falsification of books, S. 236 ...

For improper use of word 'Limited', S. 283 ...

For misapplication of securities by employers, S. 232 B ...

For non-publication of name by company, S. 282 A ...

On concealment of name of creditor, S. 61 ...

Petition

Effect of, for winding up subject to supervision, S. 292 ...

Powers of court on hearing, for winding up, S. 170 ...

Preference

See Fraudulent Preference

Preferential payments, S. 230 ...

Preferential Shareholders

Rights of, as to receipts and inspection of reports, S. 148 ...

Preference Shares

Issue of redeemable, S. 115-B ...

Preferential payments, S. 230 ...

Prescribed

Definition of, S. 2 (1) (12) ...

Prevalence

Payments of certain debts out of assets subject to floating charge in, to claims under the charge, S. 129 ...

Private Company

Conversion of, into public company, S. 154 ...

Definition of, S. 2 (1) (13) ...

Liability for carrying on business with fewer than seven or, in the case of, two members, S. 147 ...

Proceedings

Ministers of, of general meetings and of directors, S. 83 ...

Power of court to adopt, of voluntary winding up, S. 210 ...

Power of court to restrain, S. 268 ...

Power of court to stay or restrain, S. 273 ...

Saving of other, S. 198 ...

Saving of pending, for winding up, S. 294 ...

Profit

Association not for profits, S. 26 ...

Director not to hold office of, S. 86 E ...

Promotion

Of voting by interested director, S. 91 B ...

Prospectus

Of company, S. 89 ...

Promoters

Power of Court to order public examination of, S. 196 ...

Proof

Deeds of all descriptions to be proved, S. 228 ...

Powers of court to exclude creditors not proving in time, S. 191 ...

Property

Application of, S. 93 to the case of, taken on lease, S. 95 ...

Custody of, of company, S. 178 ...

Directors as to, in certain cases, S. 273 ...

Discharge of, of company, S. 211 ...

Penalty for wrongful withholding of, S. 282 B ...

Power of court to summon persons suspected of having, of company, S. 193 ...

Power to require delivery of, S. 185 ...

Vesting of, on registration, S. 263 ...

Prosecutions

Institution of, S. 141 A ...

Of delinquent directors, etc., S. 237 ...

Prospectus

Document offering shares on debentures for sale to be deemed a., S. 94 A ...

Filing of, of company, S. 92 ...

Invalidity of certain conditions as to waiver or notice, S. 96 ...

Obligations of companies where no prospectus is issued, S. 96 ...

Requirements as to, S. 227 B ...

Restrictions on alteration of terms mentioned in, or statement in lieu of, S. 99 ... 40
<table>
<thead>
<tr>
<th>Prospectus—Concl.</th>
<th>Page</th>
<th>Reduction—Concl.</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saving in certain cases of non-compliance with S. 92, S. 97</td>
<td>48</td>
<td>Registration of order and minute of, S. 61</td>
<td>22</td>
</tr>
<tr>
<td>Special requirements as to particulars of, S. 93</td>
<td>44</td>
<td>Reference</td>
<td>84</td>
</tr>
<tr>
<td>Provident Insurance Societies Act, 1912</td>
<td>138</td>
<td>Winding up may be referred to District Court, S. 161</td>
<td></td>
</tr>
<tr>
<td>Savings for, S. 287</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publication.</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certain companies to publish statement of objection, S. 196</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of authorised as well as subscribed and paid-up capital, S. 78</td>
<td>27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of owners of a limited company, S. 79</td>
<td>28</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of reasons for reduction of share capital, S. 85</td>
<td>33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalties for non-publication of name by company, S. 74</td>
<td>26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Company</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conversion of private company into, S. 184</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualifications</td>
<td>74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of authors, S. 114</td>
<td>74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of executor, S. 65</td>
<td>54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receiver</td>
<td>62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Filing of accounts of, S. 119</td>
<td>62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notice of appointment of, S. 277 E.</td>
<td>132</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration of appointment of, S. 118</td>
<td>62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rectification</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notice to registrar of, of register, S. 39</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of register of mortgages, S. 129</td>
<td>63</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power of Court to rectify register, S. 38</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redeemed debentures</td>
<td>65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power to rescind, in certain cases, S. 127</td>
<td>65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Addition to name of company of &quot;and reduced&quot;, S. 57</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Application to court for confirming order, S. 86</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liability of members in respect of, of shares, S. 63</td>
<td>22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minute to form part of memorandum, S. 82</td>
<td>22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objections by creditors, and settlement of list of objecting creditors, S. 58</td>
<td>22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of share capital, S. 55</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of share capital in case of company limited by guarantee having a share capital, S. 66</td>
<td>23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order containing, S. 89</td>
<td>22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty on concealment of name of creditor, S. 64</td>
<td>23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power to dispense with consent of creditor on security being given for his debt, S. 89</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publication of reasons for, of share capital, S. 69</td>
<td>23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registered Office</td>
<td>62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Copy of instrument creating mortgage or charge to be kept at, S. 117</td>
<td>62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of company, S. 72</td>
<td>25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registrar</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Copy of balance sheet to be forwarded to, S. 194</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Copy of winding up order to be filed with, S. 172</td>
<td>96</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Definition of, S. 2 (1) (18)</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enforcing submission of returns and documents to, S. 249 A.</td>
<td>118</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Filing of prospectus, with, S. 92</td>
<td>44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Former, continued, S. 246</td>
<td>138</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investigation by the, S. 127</td>
<td>71</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May require evidence as to nature of company, S. 529</td>
<td>121</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May strike defunct company off register, S. 247</td>
<td>116</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notice to, of consolidation of share capital, conversion of shares into stock, etc., S. 81</td>
<td>19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notice to, of rectification of register, S. 39</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of joint stock companies, construction of, in Act XXI of 1860, S. 288</td>
<td>138</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Topic</td>
<td>Page</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Registrar—Concluded.</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power of, to call for information or explanation, S. 173</td>
<td>86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return as to allotments, filing with, S. 104</td>
<td>54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service of documents on, S. 149</td>
<td>77</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Registration</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>And copies of special and extraordinary resolutions, S. 82</td>
<td>31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certain mortgages and charges to be void if unregistered, S. 109</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificate of, of existing companies, S. 352</td>
<td>122</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificate of, of mortgage or charge, S. 114</td>
<td>61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duty of company or right of interested party as regards, of mortgage or charge, S. 116</td>
<td>62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of, S. 23</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of failure to register memorandum within 3 months, S. 18</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of, under Act, S. 255</td>
<td>122</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endorsement of certificate of, on debenture or certificate of debenture stock, S. 115</td>
<td>62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exemption of certain companies from payment of fees, S. 260</td>
<td>122</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees for, S. 249</td>
<td>119</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of appointment of receiver, S. 118</td>
<td>62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of articles, Ss. 17, 22</td>
<td>8, 10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of charges on properties acquired subject to charges, S. 109 A</td>
<td>60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offices, S. 248</td>
<td>117</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of memorandum, S. 22</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of name of bearer of share-warrant, S. 24</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of order and minute of reduction, S. 61</td>
<td>22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of satisfaction of mortgages and charges, S. 121</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of transfer of shares at request of transferee, S. 34</td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of unlimited company as limited, S. 67</td>
<td>24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On, of banking company with limited liability, notice to be given to customers, S. 256</td>
<td>121</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power of unlimited company to provide for reserve share capital on registration, S. 63</td>
<td>24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration charges, S. 277 D</td>
<td>132</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Requirements for, by joint stock companies, S. 253</td>
<td>129</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Requirements for, by other than joint stock companies, S. 256</td>
<td>121</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vesting of property on, S. 263</td>
<td>122</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Registration Offices S. 249</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Former, continued, S. 266</td>
<td>117</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Regulations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As to British Register, S. 42</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Relief</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power of court to grant, in certain cases, O. C.—XVI</td>
<td>13</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
COMPANIES ACT (VII OF 1913)

Restrictions—Continued.
On nature of subsidiary company, S. 277-M .... 135
On powers of directors, S. 86-H .... 36
On purchase by company of shares by company for purchase of its own shares, S. 54-A ... 20

Return
As to allotments, S. 104 .... 54
Enforcing submission of, and documents to registrar, S. 249-A ... 118

Rights
Adjustment of, of contributories, S. 192 ... 98

Rules
Power of High Court to make, S. 246 ... 115
Power to make rules as to prescribed matters, S. 151 ... 77

Sanction
General scheme of liquidation may be sanctioned, S. 234 ... 109

Satisfaction
Registration of, of mortgages and charges, S. 121 ... 63

Savings
For Indian Life Assurance Companies Act, 1912 and provident Insurance Societies Act, 1912, S. 287 ... 138
In certain cases of non-compliance with S. 93, S. 97 ... 48
Of document, S. 285 ... 188
Of existing liabilities, S. 284 ... 122
Of other proceedings, S. 196 ... 88
Of pending proceedings for winding up, S. 284 ... 180
Repeal of Acts and, S. 289 ... 189

Schedule
Certain companies to publish statement in, S. 136 ... 70

Scheme
General of liquidation may be sanctioned, S. 234 ... 109
Power to acquire shares of shareholders dissenting from schemes or contract approved by majority S. 133-B ... 79

Seal
Power for company to have official seal for use abroad, S. 91 ... 42

Securities
Penalty for misapplication of, by employers, S. 280-B ... 1:7
Power to dispense with consent of creditor on, being given for his debt, S. 59 ... 21
Power to require limited company to give, for costs, S. 289 ... 116

Service
Of documents on company, S. 148 ... 77
Of documents on registrar, S. 149 ... 77

Settlement
Of list of contributories and application of assets, S. 184 ... 92
Power to substitute memorandum and articles for deed of, S. 267 ... 124

Share Capital
See also, RESERVE SHARE CAPITAL
Annual list of members and summary, S. 32 ... 13
Effect of conversion of, into stock, S. 82 ... 19
Effect of irregular allotment, S. 102 ... 53
Effect of share-warrant, S. 44 ... 17
Entries in register when share-warrant issued, S. 47 ... 18
Inspection of register of members, S. 30 ... 15
Issue of share-warrants to bearer, S. 45 ... 17
Notice of increase of, or of members, S. 53 ... 19
Notice to registrar of consolidation of, conversion of shares into stock, etc., S. 61 ... 19
Notice to registrar of rectification of register, S. 29 ... 18
Position of bearer of share-warrant, S. 46 ... 17
Power for company to keep branch register in the United Kingdom, S. 41 ... 16
Power of company limited by shares to alter its, S. 50 ... 18
Power of company to arrange for different amounts being paid on shares, S. 49 ... 18
Power of company to pay interest out of, in certain cases, S. 53 ... 58
Power of Court to rectify register, S. 28 ... 16
Power to close register, S. 37 ... 15
Register of members, S. 31 ... 12
Register to be evidence, S. 40 ... 10
Registration of name of bearer of share-warrant, S. 45 ... 17
Registration of order and minute of reduction, S. 61 ... 22
Reorganisation of, S. 42 ... 17
Restrictions to allotment, S. 101 ... 52
Restrictions on commencement of business, S. 103 ... 58
Return as to allotments, S. 104 ... 84
Surrender of share-warrant, S. 48 ... 18
Transfer by legal representative, S. 35 ... 15
Trusts not to be entered on register, S. 33 ... 14

Share Capital (Reduction of)
Addition to name of company of "and reduced," S. 57 ... 21
Application to court for confirming order, S. 58 ... 21
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Capital (Reduction) of — Conld.</td>
<td>23</td>
</tr>
<tr>
<td>Increase and reduction of, in case of a company limited by guarantee having a share capital, S. 88</td>
<td></td>
</tr>
<tr>
<td>Liability of members in respect of reduced shares, S. 63</td>
<td></td>
</tr>
<tr>
<td>Minute to form part of memorandum, S. 62</td>
<td></td>
</tr>
<tr>
<td>Objections by creditors, and settlement of list of objecting creditors, S. 58</td>
<td></td>
</tr>
<tr>
<td>Order confirming reduction, S. 60</td>
<td></td>
</tr>
<tr>
<td>Penalty on concealment of name of creditor, S. 64</td>
<td></td>
</tr>
<tr>
<td>Power to dispense with consent of creditor on security being given for his debt, S. 59</td>
<td></td>
</tr>
<tr>
<td>Publication of reasons for reduction, S. 68</td>
<td></td>
</tr>
<tr>
<td>Reduction of, S. 55</td>
<td></td>
</tr>
<tr>
<td>Share Certificate</td>
<td></td>
</tr>
<tr>
<td>Limitation of time for issue of, S. 108</td>
<td></td>
</tr>
<tr>
<td>Shareholder</td>
<td></td>
</tr>
<tr>
<td>Variation of his rights, S. 66 A</td>
<td>23</td>
</tr>
<tr>
<td>Shares</td>
<td></td>
</tr>
<tr>
<td>Certificate of, S. 29</td>
<td>12</td>
</tr>
<tr>
<td>Definition of, S. 2 (1) (10)</td>
<td>2</td>
</tr>
<tr>
<td>Distribution of, capital, S. 24-54</td>
<td>12-29</td>
</tr>
<tr>
<td>Liability of members in respect of reduced, S. 63</td>
<td>22</td>
</tr>
<tr>
<td>Memorandum of company limited by, S. 6</td>
<td>4</td>
</tr>
<tr>
<td>Nature of, S. 25</td>
<td>12</td>
</tr>
<tr>
<td>Notice to registrar of conversion of, into stock, S. 51</td>
<td>19</td>
</tr>
<tr>
<td>Document offering shares or debentures for sale to be deemed a prospectus, S. 98 A</td>
<td>49</td>
</tr>
<tr>
<td>Issue of redeemable preference shares, S. 108 B</td>
<td>56</td>
</tr>
<tr>
<td>Power of liquidator to accept, etc., in consideration for sale of property of company, S. 103 C</td>
<td></td>
</tr>
<tr>
<td>Power to issue shares at a discount, S. 105 A</td>
<td>56</td>
</tr>
<tr>
<td>Purchase by company of shares of company under same managing agent, S. 87 F</td>
<td>41</td>
</tr>
<tr>
<td>Restriction on canvassing for sale of, S. 277 C</td>
<td></td>
</tr>
<tr>
<td>Restriction on sale and offer for sale of, S. 277 A</td>
<td></td>
</tr>
<tr>
<td>Rights of holders of special classes of shares, S. 86 A</td>
<td>129</td>
</tr>
<tr>
<td>Transfer of, S. 24</td>
<td>14</td>
</tr>
<tr>
<td>Share Warrant</td>
<td></td>
</tr>
<tr>
<td>Effect of, S. 44</td>
<td>17</td>
</tr>
<tr>
<td>Entries in register when issued, S. 47</td>
<td>17</td>
</tr>
<tr>
<td>Issue of, to bearer, S. 43</td>
<td>17</td>
</tr>
<tr>
<td>Position of bearer of, S. 46</td>
<td>17</td>
</tr>
<tr>
<td>Registration of name of bearer of, S. 48</td>
<td>17</td>
</tr>
<tr>
<td>Surrender of, S. 48</td>
<td>18</td>
</tr>
<tr>
<td>Signature</td>
<td></td>
</tr>
<tr>
<td>Of articles, S. 19</td>
<td>9</td>
</tr>
<tr>
<td>Of memorandum, S. 9</td>
<td>5</td>
</tr>
<tr>
<td>Specific Performance</td>
<td></td>
</tr>
<tr>
<td>Of contract to subscribe for debentures, S. 128</td>
<td>86</td>
</tr>
<tr>
<td>Statement</td>
<td></td>
</tr>
<tr>
<td>Authentication of, of existing companies, S. 227</td>
<td>121</td>
</tr>
<tr>
<td>By liquidator, S. 177 B</td>
<td>88</td>
</tr>
<tr>
<td>Certain companies to publish, in Schedule, S. 138</td>
<td>70</td>
</tr>
<tr>
<td>In balance sheet as to commissions and discount, S. 106</td>
<td>55</td>
</tr>
<tr>
<td>Liability for, in prospectus, S. 100</td>
<td>80</td>
</tr>
<tr>
<td>Of affairs to be made to the liquidator, S. 177 A</td>
<td>87</td>
</tr>
<tr>
<td>Restriction on alienation of statement in lieu of prospectus, S. 89</td>
<td>50</td>
</tr>
<tr>
<td>Status</td>
<td></td>
</tr>
<tr>
<td>Effect of voluntary winding up on, of company, S. 295</td>
<td>36</td>
</tr>
<tr>
<td>Statutory Meeting</td>
<td></td>
</tr>
<tr>
<td>Of Company, S. 77</td>
<td>27</td>
</tr>
<tr>
<td>Stay</td>
<td></td>
</tr>
<tr>
<td>Power of Court to, proceedings, S. 268, 273</td>
<td>125, 127</td>
</tr>
<tr>
<td>Power of Court to, winding up, S. 171</td>
<td>86</td>
</tr>
<tr>
<td>Suits stayed on winding up order, S. 171, 269, 274</td>
<td>85, 125, 127</td>
</tr>
<tr>
<td>Stock</td>
<td></td>
</tr>
<tr>
<td>Certificate of, S. 29</td>
<td>12</td>
</tr>
<tr>
<td>Effect of conversion of shares into S. 83</td>
<td>19</td>
</tr>
<tr>
<td>Notice to registrar of conversion of shares into, S. 51</td>
<td>19</td>
</tr>
<tr>
<td>Subscribed Capital</td>
<td></td>
</tr>
<tr>
<td>Publication of, S. 73</td>
<td>27</td>
</tr>
<tr>
<td>Subsidiary Company</td>
<td></td>
</tr>
<tr>
<td>Balance sheet of company to include particulars as to, S. 122 A</td>
<td>68</td>
</tr>
<tr>
<td>Restriction on nature of S. 277 M</td>
<td>135</td>
</tr>
<tr>
<td>Suits</td>
<td></td>
</tr>
<tr>
<td>Continuation of existing, S. 265</td>
<td>122</td>
</tr>
<tr>
<td>Stayed on winding up order, S. 171, 269, 274</td>
<td>85, 125, 127</td>
</tr>
<tr>
<td>Summary</td>
<td></td>
</tr>
<tr>
<td>Of share capital, S. 32</td>
<td>13</td>
</tr>
<tr>
<td>Summons</td>
<td></td>
</tr>
<tr>
<td>Power of Court to, persons suspected of having property of company, S. 195</td>
<td>94</td>
</tr>
<tr>
<td>Supervision</td>
<td></td>
</tr>
<tr>
<td>Effect of order, S. 225</td>
<td>105</td>
</tr>
<tr>
<td>Effect of petition for winding up subject to, of Court, S. 222</td>
<td>104</td>
</tr>
<tr>
<td>Power to order winding up subject to, of Court, S. 221</td>
<td>104</td>
</tr>
<tr>
<td>Surrender</td>
<td></td>
</tr>
<tr>
<td>Of share-warrants, S. 48</td>
<td>18</td>
</tr>
</tbody>
</table>
### COMPANIES ACT (VII OF 1913)

<table>
<thead>
<tr>
<th>Table A</th>
<th>Application of, to articles, S. 18</th>
<th>Page 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tables</td>
<td>Application and alteration of, S. 151</td>
<td>Page 77</td>
</tr>
<tr>
<td>Time</td>
<td>Power to exclude creditors not proving in, S. 191</td>
<td>Page 93</td>
</tr>
<tr>
<td>Transfer</td>
<td>Avoidance of, after commencement of winding up, S. 227</td>
<td>Page 105</td>
</tr>
<tr>
<td></td>
<td>By legal representative of share, S. 225</td>
<td>Page 14</td>
</tr>
<tr>
<td></td>
<td>Mode of transferring shares of companies registered under former Acts, S. 222</td>
<td>Page 119</td>
</tr>
<tr>
<td></td>
<td>Of shares, S. 240</td>
<td>Page 14</td>
</tr>
<tr>
<td></td>
<td>Of winding up from one District Court to another, S. 165</td>
<td>Page 84</td>
</tr>
<tr>
<td>Trusts</td>
<td>Right to have copies of, S. 125</td>
<td>Page 65</td>
</tr>
<tr>
<td></td>
<td>Not to be entered on register, S. 33</td>
<td>Page 14</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Power for company to keep branch register in, S. 41</td>
<td>Page 16</td>
</tr>
<tr>
<td>Unlimited Company</td>
<td>Power of, to provide for reserve share capital on re-registration, S. 15</td>
<td>Page 24</td>
</tr>
<tr>
<td></td>
<td>Registration of, as limited company, S. 67</td>
<td>Page 24</td>
</tr>
<tr>
<td>Unregistered Company</td>
<td>Contributors in winding up of, S. 272</td>
<td>Page 127</td>
</tr>
<tr>
<td></td>
<td>Directions as to property in certain cases, S. 275</td>
<td>Page 127</td>
</tr>
<tr>
<td></td>
<td>Meaning of, S. 270</td>
<td>Page 125</td>
</tr>
<tr>
<td></td>
<td>Power to stay or restrain proceedings, S. 273</td>
<td>Page 127</td>
</tr>
<tr>
<td></td>
<td>Provisions of Part IX relating to cumulative, S. 276</td>
<td>Page 127</td>
</tr>
<tr>
<td></td>
<td>Winding up of, S. 271</td>
<td>Page 125</td>
</tr>
<tr>
<td>Winding up</td>
<td>Committee of Inspection in compulsory winding up, S. 178 A</td>
<td>Page 89</td>
</tr>
<tr>
<td></td>
<td>Contributors in case of death of member, S. 160</td>
<td>Page 83</td>
</tr>
<tr>
<td></td>
<td>Contributors in case of insolvency of member, S. 161</td>
<td>Page 83</td>
</tr>
<tr>
<td></td>
<td>Contributors in, of unregistered companies, S. 272</td>
<td>Page 127</td>
</tr>
<tr>
<td></td>
<td>Court or person before whom affidavit may be sworn, S. 249</td>
<td>Page 115</td>
</tr>
<tr>
<td></td>
<td>Discharge of property, S. 230 A</td>
<td>Page 107</td>
</tr>
<tr>
<td></td>
<td>Disposal of documents of company, S. 242</td>
<td>Page 114</td>
</tr>
<tr>
<td></td>
<td>Documents of company to be evidence, S. 240</td>
<td>Page 113</td>
</tr>
<tr>
<td></td>
<td>Effect of voluntary, on status of company, S. 267</td>
<td>Page 97</td>
</tr>
<tr>
<td></td>
<td>Information as to pending liquidations, S. 244</td>
<td>Page 114</td>
</tr>
<tr>
<td></td>
<td>Inspection of documents, S. 241</td>
<td>Page 113</td>
</tr>
<tr>
<td></td>
<td>Liability as contributors of present and past members, S. 156</td>
<td>Page 81</td>
</tr>
<tr>
<td></td>
<td>Liability of directors whose liability is unlimited, S. 157</td>
<td>Page 82</td>
</tr>
<tr>
<td></td>
<td>Meeting to ascertain wishes of creditors or contributors, S. 229</td>
<td>Page 113</td>
</tr>
<tr>
<td></td>
<td>Of unregistered company, S. 271</td>
<td>Page 125</td>
</tr>
<tr>
<td></td>
<td>Mode of, S. 155</td>
<td>Page 81</td>
</tr>
<tr>
<td></td>
<td>Payments of, liquidator into bank, S. 244 A</td>
<td>Page 115</td>
</tr>
<tr>
<td></td>
<td>Penalty provisions, S. 238 A</td>
<td>Page 111</td>
</tr>
<tr>
<td></td>
<td>Penalty for false evidence, S. 238</td>
<td>Page 111</td>
</tr>
<tr>
<td></td>
<td>Power of court to declare dissolution of company void, S. 243</td>
<td>Page 114</td>
</tr>
<tr>
<td></td>
<td>Power of High Court to make rules, S. 246</td>
<td>Page 116</td>
</tr>
<tr>
<td></td>
<td>Saving of pending proceedings for, S. 268</td>
<td>Page 138</td>
</tr>
<tr>
<td></td>
<td>Statement by liquidator, S. 177 B</td>
<td>Page 88</td>
</tr>
<tr>
<td></td>
<td>Statement of affairs to be made to the liquidator, S. 177 A</td>
<td>Page 87</td>
</tr>
<tr>
<td></td>
<td>Suits stayed on, order, ss. 269 ; 274 ; 125,127</td>
<td>Page 125,127</td>
</tr>
<tr>
<td>Winding up (by Court)</td>
<td>Circumstances in which company may be wound up, S. 162</td>
<td>Page 83</td>
</tr>
<tr>
<td></td>
<td>Commencement of, S. 168</td>
<td>Page 85</td>
</tr>
<tr>
<td></td>
<td>Company when deemed unable to pay its debts, S. 163</td>
<td>Page 83</td>
</tr>
<tr>
<td></td>
<td>Copy of order to be filed with registrar, S. 172</td>
<td>Page 88</td>
</tr>
<tr>
<td></td>
<td>Court may grant injunction, S. 169</td>
<td>Page 85</td>
</tr>
<tr>
<td></td>
<td>Court may have regard to wishes of creditors or contributories, S. 174</td>
<td>Page 86</td>
</tr>
<tr>
<td></td>
<td>Effect of order, S. 167</td>
<td>Page 85</td>
</tr>
<tr>
<td></td>
<td>Official books to be kept by liquidator in, S. 182</td>
<td>Page 91</td>
</tr>
<tr>
<td></td>
<td>May be referred to District Court, S. 164</td>
<td>Page 84</td>
</tr>
<tr>
<td></td>
<td>Powers of Court on hearing petition, S. 170</td>
<td>Page 85</td>
</tr>
<tr>
<td></td>
<td>Power of Court to stay, S. 178</td>
<td>Page 86</td>
</tr>
<tr>
<td></td>
<td>Provisions as to applications for, S. 166</td>
<td>Page 84</td>
</tr>
<tr>
<td></td>
<td>Suits stayed on, order, S. 171</td>
<td>Page 86</td>
</tr>
<tr>
<td>Topic</td>
<td>Page</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------</td>
<td></td>
</tr>
<tr>
<td>Winding up (by Court)—Concl.</td>
<td>94.</td>
<td></td>
</tr>
<tr>
<td>Transfer of, from one District Court to another, S. 169</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winding up of Unregistered Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Directions as to property in certain cases, S. 275</td>
<td>127.</td>
<td></td>
</tr>
<tr>
<td>Winding up (Voluntary)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Application of section 206 C to a creditor's voluntary winding up, S. 206 F</td>
<td>101.</td>
<td></td>
</tr>
<tr>
<td>Application of insolvency rules in, or insolvent companies, S. 229</td>
<td>106.</td>
<td></td>
</tr>
<tr>
<td>Appointment in certain cases of voluntary liquidators to office of official liquidator, S. 226</td>
<td>105.</td>
<td></td>
</tr>
<tr>
<td>Appointment of committee of inspection, S. 209 C</td>
<td>100.</td>
<td></td>
</tr>
<tr>
<td>Appointment of liquidator, S. 209 B</td>
<td>100.</td>
<td></td>
</tr>
<tr>
<td>Arrangement when binding on creditors, S. 215</td>
<td>103.</td>
<td></td>
</tr>
<tr>
<td>Avoidance of certain attachments, executions, etc., S. 212</td>
<td>109.</td>
<td></td>
</tr>
<tr>
<td>Avoidance of transfers after commencement of, S. 202</td>
<td>105.</td>
<td></td>
</tr>
<tr>
<td>Circumstances in which company may be wound up, S. 203</td>
<td>96.</td>
<td></td>
</tr>
<tr>
<td>Commencement of, S. 204</td>
<td>96.</td>
<td></td>
</tr>
<tr>
<td>Cost of voluntary winding up, S. 217</td>
<td>104.</td>
<td></td>
</tr>
<tr>
<td>Court may have regard to wishes of creditors and contributories, S. 223</td>
<td>104.</td>
<td></td>
</tr>
<tr>
<td>Duties of all discriptions to be proved, S. 218</td>
<td>105.</td>
<td></td>
</tr>
<tr>
<td>Distribution of property of company, S. 211</td>
<td>102.</td>
<td></td>
</tr>
<tr>
<td>Duty of liquidator to call general meeting at end of each year, S. 210</td>
<td>98.</td>
<td></td>
</tr>
<tr>
<td>Duty of liquidator to call meetings of company and of creditors at end of each year, S. 209 C</td>
<td>101.</td>
<td></td>
</tr>
<tr>
<td>Effect of, on status of company, S. 205</td>
<td>96.</td>
<td></td>
</tr>
<tr>
<td>Effect of petition for, subject to supervision of Court, S. 222</td>
<td>104.</td>
<td></td>
</tr>
<tr>
<td>Effect of supervision order of court, S. 225</td>
<td>105.</td>
<td></td>
</tr>
<tr>
<td>Final meeting and dissolution, S. 209 E, 209 F</td>
<td>99.</td>
<td></td>
</tr>
<tr>
<td>Fixing of liquidator's remuneration and cess of director's powers, S. 209 L</td>
<td>108.</td>
<td></td>
</tr>
<tr>
<td>Fraudulent preference, S. 231</td>
<td>101.</td>
<td></td>
</tr>
<tr>
<td>General scheme of liquidation may be sanctioned, S. 234</td>
<td>109.</td>
<td></td>
</tr>
<tr>
<td>Meeting of creditors, S. 209 A</td>
<td>99.</td>
<td></td>
</tr>
<tr>
<td>Notice by liquidator of his appointment, S. 214</td>
<td>103.</td>
<td></td>
</tr>
<tr>
<td>Notice of resolution for, S. 206</td>
<td>98.</td>
<td></td>
</tr>
<tr>
<td>Penalty for falsification of books, S. 236</td>
<td>110.</td>
<td></td>
</tr>
</tbody>
</table>

**GENERAL INDEX**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winding up (Voluntary)—Concl.</td>
<td></td>
</tr>
<tr>
<td>Power of company to appoint and fix remuneration of liquidators, S. 208 A</td>
<td>97.</td>
</tr>
<tr>
<td>Power of court to appoint and remove liquidator in voluntary winding up, S. 213</td>
<td>103.</td>
</tr>
<tr>
<td>Power of court to appoint or remove liquidators, S. 224</td>
<td>104.</td>
</tr>
<tr>
<td>Power of court to adopt proceedings of, S. 220</td>
<td></td>
</tr>
<tr>
<td>Power of court to assess damages against delinquent directors, etc., S. 225</td>
<td>109.</td>
</tr>
<tr>
<td>Power of liquidator to accept shares, etc., as consideration for sale of property of company, S. 208 C</td>
<td>98.</td>
</tr>
<tr>
<td>Powers and duties of liquidator in voluntary winding up, S. 212</td>
<td>102.</td>
</tr>
<tr>
<td>Power to apply to court to have questions determined of powers exercised, S. 216</td>
<td>103.</td>
</tr>
<tr>
<td>Power to fill vacancy in office of liquidator, S. 208 B, 209 E</td>
<td>97, 101</td>
</tr>
<tr>
<td>Power to order, subject to supervision of courts, S. 224</td>
<td>104.</td>
</tr>
<tr>
<td>Preferential payments, S. 229</td>
<td>106.</td>
</tr>
<tr>
<td>Prosecution of delinquent directors, S. 227</td>
<td>110.</td>
</tr>
<tr>
<td>Provisions applicable to a creditor's voluntary winding up, S. 209</td>
<td>99.</td>
</tr>
<tr>
<td>Provisions applicable to every voluntary winding up, S. 210</td>
<td>102.</td>
</tr>
<tr>
<td>Provisions applicable to a member's voluntary winding up, S. 208</td>
<td>97.</td>
</tr>
<tr>
<td>Saving for rights of creditors and contributories, S. 218</td>
<td>104.</td>
</tr>
</tbody>
</table>

**Words and Phrases**

<table>
<thead>
<tr>
<th>Term</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>And reduced, S. 57</td>
<td>21.</td>
</tr>
<tr>
<td>Articles, S. 2 (1)(1)</td>
<td>1.</td>
</tr>
<tr>
<td>Banking company, S. 277 F</td>
<td>122.</td>
</tr>
<tr>
<td>Contribution, S. 158</td>
<td>62.</td>
</tr>
<tr>
<td>Debenture, S. 2 (1)(4)</td>
<td>101.</td>
</tr>
<tr>
<td>Demand liabilities, S. 277 L</td>
<td>155.</td>
</tr>
<tr>
<td>Court, S. 2 (1)(1)</td>
<td>1.</td>
</tr>
<tr>
<td>Director, S. 2 (1)(1)</td>
<td>1.</td>
</tr>
<tr>
<td>District Court, S. 2 (1)(6)</td>
<td>1.</td>
</tr>
<tr>
<td>Existing company, S. 2 (1)(7)</td>
<td>1.</td>
</tr>
<tr>
<td>Insurance Company, S. 2 (1)(8)</td>
<td>2.</td>
</tr>
<tr>
<td>Joint Stock Company, S. 254</td>
<td>120.</td>
</tr>
<tr>
<td>Manager, S. 2 (1)(9)</td>
<td>2.</td>
</tr>
<tr>
<td>Managing agents, S. 2 (1)(9-15)</td>
<td>2.</td>
</tr>
<tr>
<td>Memorandum, S. 2 (1)(10)</td>
<td>2.</td>
</tr>
<tr>
<td>Offer, S. 2 (1)(11)</td>
<td>2.</td>
</tr>
<tr>
<td>Preferential payments, S. 230</td>
<td>106.</td>
</tr>
<tr>
<td>Prescribed, S. 2 (1)(12)</td>
<td>2.</td>
</tr>
<tr>
<td>Private Company, S. 2 (1)(13)</td>
<td>2.</td>
</tr>
<tr>
<td>Prospective, S. 2 (1)(14)</td>
<td>2.</td>
</tr>
<tr>
<td>Public Company, S. 2 (1)(18 A)</td>
<td>2.</td>
</tr>
<tr>
<td>Registrar, S. 2 (1)(18)</td>
<td>2.</td>
</tr>
<tr>
<td>Share, S. 2 (1)(16)</td>
<td>2.</td>
</tr>
<tr>
<td>Time liabilities, S. 277 L</td>
<td>135.</td>
</tr>
<tr>
<td>Unregistered Company, S. 270</td>
<td>135.</td>
</tr>
<tr>
<td>Vendor, meaning of, in Ss. 53, 94</td>
<td>48.</td>
</tr>
</tbody>
</table>
1937 Edition  136th Issue

YOUR NAME MUST BE
IN
THE ASYLUM PRESS

ALMANACK AND DIRECTORY
OF
MADRAS AND SOUTH INDIA.
Including
(NIZAM'S DOMINIONS, MYSORE,
TRAVANCORE & COCHIN.)

THE ONLY AND MOST POPULAR OFFICIAL
AND COMMERCIAL REFERENCE BOOK
WITH LARGE GOVERNMENT PATRONAGE.

LARGEST CIRCULATION

AN EXCELLENT MEDIUM OF HIGH CLASS,
PERMANENT & EFFECTIVE ADVERTISEMENT.

Over 2,000 pages Royal Octavo
Price Rs. 8 only.
CHARGES Extra.

PUBLISHERS:
DIRECTORIES & AGENCIES, Ltd.,
11, Mount Road, MADRAS.
Phone: 8242.
THE LAW OF DAMAGES
AND
COMPENSATION

Being a critical, analytical and explanatory treatment of the Principles

of the Measure of Damages in Actions for Breach of Contracts

and the commission of Civil wrongs in British India

By C. KAMESWARA RAO, B.A., B.L.

WITH A FOREWORD BY

The Hon’ble Mr. Justice Rao Bahadur
S. VARADACHARIAR,
Judge, High Court, Madras.

THE FIRST AND ONLY BOOK ON THE SUBJECT IN INDIA

Nearly 1,500 pages, Royal 8vo.

Price Rs. 15. Postage Extra.

The Reserve Bank of India Act
(II OF 1934)

WITH NOTES AND COMMENTS

BY A. RAMAIYA, M.A., P.K., ECON. S. (LONDON),
ADVOCATE, MADURA.

Author of 'The Indian Sale of Goods Act,' 'A National System of Taxation',
'Monetary Reform in India', etc.

Printed in Royal 8-vo, Cloth bound and Gilt lettered. Price. Rs 5/- (Postage Extra).

FIVE EDITIONS IN 10 YEARS.

COMMENTARIES
ON THE
Code of Criminal Procedure

(Act V OF 1898.)

AS AMENDED UP-TO-DATE

BY S. RANGANADHAIYAR, B.A., B.L.,
ADVOCATE, MADRAS.

About 2,000 pages of closely printed matter.

Approved and Specially Recommended by the Government of Madras for use in all
Courts and Public Office in the Presidency and by the High Court of Judicature at Lahore.

A work that has established undoubted superiority over other similar works.

Printed in Best Type on fine durable White Paper, Royal Size and Bound in
SUPERIOR CALICO, Gilt lettered.

Price Rs. 16/- (Postage Extra).
THE FACTORIES ACT

(Act XXV of 1934)

With an analytical introduction, critical comments, and appendices containing the Factories Bill, 1933, Statement of Objects and Reasons, Notes on Clauses, Report of the Select Committee, and Rules, framed by the several Local Governments.

By

A. S. SRINIVASA AYYAR, B.A., B.L.,
Advocate, High Court, Madras.

The New Factories Act has greatly modified the law and practice hitherto in force. As such this book is indispensable to every owner of a Factory.

Cloth bound: Rs. 3-8-0 a copy (Postage extra.)