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A MANUAL OF
NDIAN COMPANIES LAW AND PRACTICE

VOL. II

A MANUAL OF INDIAN
COMPANIES LAW AND PRACTICE
INCLUDING
FORMS AND PRECEDENTS
VOL. II

BY

SOHRAB R. DAVAR, BARRISTER-AT-LAW

Advocate (O.S.) High Court of Judicature, Bombay, Finalist of Chartered Institute of Secretaries of Public Companies (London) and Incorporated Society of Accountants and Auditors (London), Past Government Professor of Mercantile Law and Business Organisation for B. Com (Final); Author of Law and Practice of Banking, Indian Mercantile Law, Indian Company Law, Higher Accounting, Business Organisation, etc Founder and Principal of Davar's College of Commerce, Bombay

With a Foreward by

THE HON. MR. JUSTICE H. J. KANIA, B.A., LL.B.

High Court of Judicature, Bombay

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APPENDIX A

FORMS AND PRECEDENTS

SECTION I

NOTICES

Note :—Forms already given in the text are not appended. A reference may be made for them in the Index.

FORMS OF NOTICES

NOTICE OF MEETING TO PASS SPECIAL RESOLUTIONS.

The.....Company, Limited.

Notice is hereby given that an extraordinary general meeting of the above company will be held at.....(place).....at .....(time).....on the.....day of.....19 , for the purpose of considering and if thought fit passing the following resolution as a special resolution, *viz.*,

(set out proposed resolution)

Should the above resolution be duly passed by the requisite majority, it will be submitted for confirmation at a subsequent general meeting of which notice will be given in due course.

Dated.....day of.....19 .

By order of the Board,

.....

Secretary.

Note.—This form can only be used if the Articles of Association allow notices of both the meetings to be given simultaneously, otherwise a separate notice of confirmatory meeting, as given below, is necessary.

NOTICE OF MEETING TO CONFIRM SPECIAL RESOLUTION.

The.....Company, Limited.

Notice is hereby given that an extraordinary general meeting of the above company will be held at.....(place).....on the day of.....19 , at.....(time).....when the following resolution, which was passed at an extraordinary general meeting of the Company held on the.....day of.....19 , will be submitted for confirmation as a special resolution, *viz.*,

(set out resolution as passed)

Dated the.....day of.....19 .

By order of the Board,

.....

Secretary.

ONE NOTICE FOR TWO MEETINGS TO PASS A SPECIAL RESOLUTION TO WIND-UP.

The.....Company, Limited.

Notice is hereby given that an extraordinary general meeting of the abovenamed company will be held at.....(place) on the .....day of.....at.....(time) for the purpose of considering and, if deemed desirable, of passing the following resolutions, with or without modification:—

1. "That the.....Company, Limited, be wound up voluntarily."

2. "That A. B. of.....be and is hereby appointed the Liquidator to conduct the winding up at a remuneration of....."

And notice is hereby also given (as authorised by clause..... of the Articles of Association) that should the above Resolutions be passed by the requisite majority, they will be submitted for confirmation as Special Resolutions to a second extraordinary general meeting, and that such meeting will be held at the same place at..... (time).....on the.....day of.....for the purpose of confirming the above mentioned Resolutions as Special Resolutions.

Dated this.....day of .....

By order of the Board,

.....

Secretary.

NOTICE OF ORDINARY AND EXTRAORDINARY GENERAL MEETINGS TO BE HELD ON THE SAME DAY.

The.....Company, Limited.

Notice is hereby given that the annual general meeting of the above Company will be held at.....(place).....at..... (time).....on the.....day of.....19, for the transaction of the ordinary business.

And notice is hereby further given that immediately after the conclusion of the abovementioned meeting, an extraordinary general meeting of the above company will be held at the same place, when the following proposed resolutions will be submitted to the company;

(set out proposed resolutions)

Dated..... day of .....19 .

By order of the Board,

.....

Secretary.

REQUISITION BY SHAREHOLDERS FOR GENERAL MEETING.

To the Directors of the .....Company, Limited.

We the undersigned being holders of (more than) one-tenth of the issued capital of the company upon which all calls and other sums now due have been paid, hereby require you forthwith to proceed to convene an extraordinary general meeting of the company for the purpose of considering (set out objects of meeting) and for the purpose of passing such resolutions in relation thereto as may be thought fit.

Signatures of requisitionists.

Dated.....19 .

NOTICE OF GENERAL MEETING CONVENED IN PURSUANCE OF REQUISITION.

The.....Company, Limited.

Notice is hereby given that in pursuance of a requisition lodged at the Registered Office of the Company on the.....day of..... 19 , by Messrs. (requisitionists) an extraordinary general meeting of the Company will be held at.....(place).....on the..... the following matters:

(set out matters to be considered).

The Board desire to make the following observations on the subject-matter of the requisition;

(set out views shortly).

Dated.....19 .

By order of the Board,

.....

Secretary.

NOTICE OF GENERAL MEETING CONVENED BY REQUISITIONISTS.

Notice is hereby given that an extraordinary general meeting of the company will be held at..... ..(place).....at..... (time).....on the..... .. day of... . ...19 , for the purpose of considering the following matters:

(set out objects of meeting).

This meeting is being convened by us, the undersigned, in accordance with Section 78 of the Indian Companies Act, 1913, the directors of the company having failed to proceed to cause such meeting to be held within 21 days from. . . ..day of..... . .....19 , on which day the undersigned being holders of not less than one-tenth of the issued capital of the company upon which all calls and other sums then due had been paid, deposited at the Registered Office of the Company, in accordance with the requirements of the said Section of the said Act, requisition requiring the directors forthwith to proceed to convene an extraordinary general meeting of the Company.

Dated..... . . 19 .

(Names of persons convening the meeting).

Note.—For form of requisition see forms No.....

NOTICE BEFORE FORFEITURE FOR NON-PAYMENT OF CALL.

The..... ....Company, Limited.

SIR,

In my letter of the.. .. ....day of... .....19 , I gave you notice that at a meeting of directors held on.....day of..... a call of Rs..... ....per share was made on you and that you were called upon to pay the said call on or before the..... day of . ...19 .

I am now instructed to inform you that the directors require you on or before the.....day of.....19 , to pay the said sum of Rs.....together with interest thereon at the rate of.....% per annum from the said.....day of.....19 , up to this day, and that in the event of the non-payment of the said call and interest, on or before the said.....day of.....19 at.....(place) the shares in respect of which such call was made will be liable to be forfeited.

I am,

Yours obedient servant.

.....

Secretary.

Dated.....19 .

NOTICE OF FORFEITURE OF SHARES.

To

.....

.....

SIR,

I am directed to inform you that.....shares of Rs..... each, numbered.....to.....inclusive in the above Company, of which you were the registered holder, have, by resolution of the Directors passed at a Board Meeting held on the.....day of..... been duly forfeited in consequence of your having failed to pay the call due thereon on the.....day of.....

I am also to request you to pay such call amounting to Rs..... with interest thereon at.....% from the.....day of..... up to the date of actual payment, on or before the.....day of .....and to inform you that in default of your complying with this request, proceedings will be taken against you to enforce such payment without further notice.

Yours etc.,

.....

Secretary.

Dated .....19 .

DIVIDEND NOTICE AND WARRANT.

The.....Company, Limited.

Herewith I beg to hand you a Warrant on the Bankers of the Company for Dividend at.....% per annum for the year ending .....19 .

On.....shares of .....each.....Rs.

Less Income Tax at....."

I hereby certify that the income-tax deducted will be duly paid to the Income Tax Collector.

By order,

.....

Secretary.

Dated.....19 .

To

.....Esq.,

The.....Company, Limited.

Dividend Warrant for the year ending.....19 .

No..... ....

To

.....Bank, Limited.

Pay.....or bearer the sum of Rs.....

Rs.....

.....

Signature of payee

For and on behalf of.....Company, Limited.

.....

Secretary,

.....

Director

Dated.....19 .

NOTICE OF FIRST MEETING TO PASS SPECIAL RESOLUTION TO WIND-UP

The.....Company, Limited.

Notice is hereby given that an extraordinary general meeting of the abovenamed company will be held at.....(place) on the..... .....day of.....at.....(time), for the purpose of considering and, if deemed desirable, of passing the following Resolutions, with or without modification:—

1. "That the.....Company, Limited, be wound up voluntarily."

2. "That A.B., of.....be and is hereby appointed the Liquidator to conduct the winding-up on a remuneration of....."

The said resolutions, if passed, will be submitted for confirmation, as Special Resolutions, to a subsequent meeting of which due notice will be given.

.....
Secretary.

Dated .....19 .

To

.....
.....

NOTICE OF SECOND MEETING TO CONFIRM SPECIAL RESOLUTION TO WIND-UP.

The..... .....Company, Limited.

Notice is hereby given that an extraordinary general meeting of the abovenamed company will be held at .....(place) on the..... day of.....at.....(time), when the subjoined Resolutions, which were duly passed at the extraordinary general meeting of the company held on the..... .....will be submitted for confirmation as Special Resolutions —

1. "That the.....Company, Limited, be wound up voluntarily."

2. "That A, B of..... .....be and is hereby appointed the Liquidator to conduct the winding-up on a remuneration of ...."

.....
Secretary.

Dated..... 19 .

To

.....
.....

NOTICE OF MEETING TO PASS EXTRAORDINARY RESOLUTION TO WIND-UP

The.....Company, Limited.

Notice is hereby given that an extraordinary general meeting of the abovenamed company will be held at.....(place) on the..... day of.....at.....(time).....for the purpose of considering and, if deemed desirable, of passing the following extraordinary Resolution, with or without modification:—

"That the company cannot, by reason of its liabilities, continue its business, and that it is advisable to wind-up the same, and that

the company be wound up accordingly. And that Mr.....of .....be appointed Liquidator for the purposes of such winding-up at a remuneration of....."
Dated this.....day of.....

.....
Secretary.

NOTICE OF CREDITORS' MEETING.

(To be given to every person appearing as creditor and to be advertised in the Local Government Gazette and in newspaper)

In the matter of the Indian Companies Act, 1913,
and
In the matter of.....Company, Limited.
(In Liquidation).

Notice is hereby given, pursuant to Section 209 of the Indian Companies Act, 1913, that a meeting of the creditors of the above-named company will be held at.....(place), on the..... day of.....at.....(time).

.....Liquidator.
Dated.....19

NOTICE REQUIRING CREDITOR TO PROVE HIS DEBT.

I acknowledge the receipt of your claim for Rs.....in respect of.....and beg to inform you in reply that I do not admit such claim (or.....out of the amount claimed by you) and that before such claim (or the balance not admitted) can be admitted against the company, a proof of debt must be made for the amount by furnishing me with the following further particulars and verifying the same by declaration in accordance with the form enclosed:—

(State here further particulars required).

The proof and the declaration must be sent to me at my office at.....(address), on or before the.....day of..... or in default thereof you will be excluded from the benefit of any distribution made before such claim is proved.

*And you are hereby further required to attend in person or by your attorney at my said office on the.....day of..... at.....(time), to explain and prove your claim.

.....Liquidator.
Dated.....19

To
.....(Creditor).

*This para will be added if personal hearing of the claim is necessary.

NOTICE REQUIRING DEBTOR TO PAY DEBT.

I beg to give you notice that by special|extraordinary resolution passed on the.....day of.....and the.....day of..... it was resolved that the abovenamed company should be wound up voluntarily, and that I should be appointed liquidator for the purpose of such winding-up.

I find from the books of the company that you are indebted to the company in the sum of Rs.....in respect of.....and

I shall be obliged by a remittance from you in discharge of such debt at your earliest convenience.
Dated this.....day of.....19 .
.....Liquidator.

To
.....
.....(Debtor).

NOTICE OF INTENTION TO SETTLE LIST OF CONTRIBUTORIES.

Take notice that I.....the Liquidator of the abovenamed company, have appointed.....the.....day of.....at..... (time) at my office at.....to settle the list of contributories of the said company made out by me, and that you are included in such list in the character and for the number of shares (or extent of interest) stated below; and that if no sufficient cause is shown by you to the contrary at the time and place aforesaid, the list will be settled by me, including you therein.
Dated.....day of.....19 .
.....Liquidator.

To
Mr.....
.....

No. in List A. B.	Name.	Address.	Description.	In what character included.	No. of shares (or extent of interest.)

NOTICE TO CONTRIBUTORY OF FINAL SETTLEMENT OF LIST OF CONTRIBUTORIES.

Take notice that I.....the Liquidator of the abovenamed company, have, finally settled the list of contributories of the said company, and that you are included in such list in the character and for the number of shares (or extent of interest) stated below.

*Any application by you to vary the said list of contributories, or that your name may be excluded therefrom, must be made by you to the Court within twenty-one days from the service on you of this notice, or the same will not be entertained.

*This para shall be added only in case of winding-up by the Court.

The said list may be inspected by you at my office at..... on any day between the hours of.....and.....

Dated.....day of.....19 .

.....Liquidator.

To

Mr.....

.....

No. in List A. B.	Name.	Address	Description.	In what character included.	No. of shares (or extent of interest.)

NOTICE OF CALL BY LIQUIDATOR.

Take notice that I.....the Liquidator of the above-named company, have on the..... ...day of.....made a call of Rs.....per share on all the contributories of the said company, and that the amount due from you, as the holder of..... shares in respect of the said call is the sum of Rs....., which sum is to be paid by you to me at my office at.....(place), on or before the.....day of.....If default is made in payment of the said call, interest will be charged at the rate of.....% per annum.

Dated this.....day of.....

.....Liquidator.

To

Mr.....

.....

.....

NOTICE OF MEETING TO CONSIDER LIQUIDATOR'S ACCOUNTS.

Notice is hereby given that an extraordinary general meeting of the abovenamed company will be held at.....(place), on..... the.....day of.....at.....(time), and that the Liquidator appointed for the purpose of winding-up the company will, pursuant to *Section 216 of the Indian Companies Act, 1913, lay before such* meeting an account showing his acts and dealings and the manner in which the winding-up has been conducted during the preceding year.

Dated the.....day of.....

.....Liquidator.

NOTICE CALLING FINAL MEETING (TO BE SENT TO MEMBERS).

Notice is hereby given that a general meeting of the members of this company will be held at.....(place), on the.....day of .....at.....(time), to receive the Liquidator's report showing how the winding-up of the company has been conducted and its property disposed of, to pass an extraordinary Resolution as to the disposal of the books, accounts, and documents of the company, and to hear any explanation that may be given by the Liquidator.

And notice is hereby further given that the Statutory Notice of the above meeting was duly advertised in the Local Government Gazette of the.....day of.....and in.....(newspaper) of the.....day of.....pursuant to Section 217 of the Indian Companies Act, 1913.

Dated the.....day of.....

.....Liquidator.

NOTICE OF MEETING TO PASS SPECIAL RESOLUTIONS FOR TRANSFER OF BUSINESS.

(Section 213).

The..... Company, Limited.

Notice is hereby given that an extraordinary general meeting of the.....Company, Limited, will be held at..... (place) on the.....day of.....at.....(time), when an arrangement will be submitted for the approval of the shareholders for the purpose of effecting a transfer of the business of the company under Section 213 of the Indian Companies Act, 1913, and a resolution to adopt the arrangement will be proposed accordingly.

The following are the terms of the arrangement:—

(Set out the substance of the terms).

In the event of the said resolution being carried, the following further resolution will be proposed.—

That the company be wound-up voluntarily under the provisions of the Indian Companies Act, 1913, and that Mr.. .....of..... and Mr.....of.....be hereby appointed Liquidators for the purpose of such winding-up, with power to enter into the proposed arrangement for the transfer of the business of the company.

In the event of the above resolutions being duly passed, they will be submitted for confirmation as Special Resolutions at a subsequent meeting, of which notice will be duly given.

Dated this.....day of.....

By order of the Board,

Secretary.

NOTICE OF MEETING TO CONFIRM SPECIAL RESOLUTION FOR TRANSFER OF BUSINESS.

(Section 213).

The.....Company, Limited.

Notice is hereby given that an extraordinary general meeting of the.....Company, Limited, will be held at..... (place), on the.....day of.....at.....(time), when the following resolutions for the transfer of the business of the company under Section 213 of the Indian Companies Act, 1913, and for the winding-up of the company, and for the appointment of liquidators, which were passed at the extraordinary meeting of the company held on the.....day of.....will be submitted for confirmation as special resolutions:—

(Set out resolutions as passed at first meeting).

Dated this.....day of. .....

By order of the Board,
Secretary.

NOTICE OF STATUTORY MEETING.

THE BOMBAY TRADING COMPANY, LIMITED.

Notice is hereby given that the statutory meeting of the company required to be held by Section 77 of the Indian Companies Act, 1913, will be held at the Registered Office of the company, Forbes Street, Fort, Bombay, on the 10th day of May, 1934, at 5 P.M. (S. T.) Dated this 10th day of April, 1934.

By order of the Board,
K. N. P.
Secretary.

NOTICE OF ANNUAL GENERAL MEETING

The X, Y, Z, Company, Limited.

Notice is hereby given that the Tenth ordinary general meeting of the X. Y, Z, Company, Limited, will be held on Monday, the 2nd October, 1934, at 5 P.M. (Standard Time), at the Registered Office fo the company, Home Street, Fort, Bombay, to transact the following business:—

1st—to adopt the Directors' Report and Audited Statement of Accounts made up to 30th June, 1934.

2nd—To sanction the declaration of a Dividend.

3rd—To sanction the payment of a bonus to the Company's Staff.

4th—To elect Directors in the places of those who retire by rotation, but are eligible for re-election.

5th—To appoint Auditors for the current year and fix their remuneration.

6th—To transact any other business that may be brought forward by the Chairman.

The transfer books of the company will be closed from 25th September to 9th October, 1934, both days inclusive.

By order of the Board,
A, B, C & Co.,
Agent.

Bombay, 1st September, 1934.

N. B.—The Dividend when sanctioned will be made payable at the A, B, C, Bank, Limited, Bombay, on and after Tuesday, 10th October, 1934, to those shareholders, whose names stand on the Register on 23rd September, 1934, to whom Dividend Warrants will be posted.

NOTICE OF EXTRAORDINARY GENERAL MEETING.

The A, B, C and Company, Limited.

Notice is hereby given that an extraordinary general meeting of the above company will be held at the Registered Office of the company, Bank Street, Fort, Bombay, at 5 P.M. (Standard Time), on the 22nd day of April, 1934, for the purpose of considering and if thought fit passing the following resolutions, namely:

(set out proposed resolutions).

Dated the 22nd day of March, 1934.

By order of the Board,
X, Y, Z,
Secretary.

NOTICE OF MEETING TO PASS AND CONFIRM SPECIAL RESOLUTION.

The Bombay Excel Company, Limited.

Notice is hereby given that an extraordinary general meeting of the above company will be held at the Registered Office of the Company, Hammum Street, Fort, Bombay, at 5 P.M. (Standard Time), on the 25th April, 1934, for the purpose of considering and if thought fit passing the subjoined resolution as a special resolution.

And notice is also hereby given that a further extraordinary general meeting of the above company will be held at the Registered Office of the Company, Hammum Street, Fort, Bombay, at 5 P.M., on the 26th April, 1934, when a report will be furnished of the proceedings at the extraordinary general meeting to be held on the 25th April, 1934, and the subjoined resolution will, if passed by the requisite majority at that meeting, be submitted for confirmation as a special resolutions·

(set out proposed resolutions).

Should the said resolution not be passed by the requisite majority at the meeting to be held on the date of frst meeting due notice will be given to the shareholders that the second meeting of which notice is now given, will not be held.

Dated the 25th day of March, 1934.

By order of the Board,
A, B, C,
Secretary.

NOTICE UNDER SECTION 102 AVOIDING ALLOTMENT.

To the Bombay Excel Company, Limited, and the Directors thereof.

GENTLEMEN,

Take notice that pursuant to Section 102 of the Indian Companies Act, 1913, I the undersigned, hereby avoid the allotment to me of 100 ordinary shares of Rs. 50|- each in the capital of your company, made in or about the month of March, 1934, and hereby request you to remove my name from the register of members in respect of

such shares, and I demand the repayment of the sum of Rs..... paid by me in respect of such shares, together with interest thereon at the rate of.....per cent., per annum from the date of payment until repayment.

Dated this 11th day of April 1934.

Name.....
Address.....
.....
.....
Description.....

NOTE:—This notice must be given within one month of the date of the statutory meeting, or, if no statutory meeting is required or the allotment is made after the statutory meeting, within one month of allotment.

NOTICE AVOIDING ALLOTMENT WHERE CONTRACT INDUCED BY MISREPRESENTATION.

To the Bombay Excel Company, Limited, and the Directors thereof.

Take notice that I hereby rescind and avoid the contract under which 100 shares in your capital were, in the month of March, 1934, allotted to me, such contract having been induced by misrepresentation in your prospectus, and I require you to remove my name from your register of members in respect of such shares, and to repay to me the sums amounting to Rs. ....paid by me in respect of such shares, with interest at the rate of.....per cent. per annum thereon as from the time when I paid the same respectively to you; and take notice that unless within 7 days from the date hereof you notify to me your assent to such avoidance, and remove my name as aforesaid, I shall take such proceedings against you as I may be adviced.

Dated the 11th day of April, 1934.

X, Y, Z.

NOTICE OF APPLICATION FOR SHARE WARRANTS TO BEARER.

No.....

MEMORANDUM.

From the Registrar of The Bombay Excel Company, Limited. Ballard Estate, Bombay. Telegraphic Address: "Excel, Bombay."	.....19.... To..... ....

ORDINARY SHARES.

SHARE WARRANTS TO BEARER.

The following application for share warrants to bearer, purporting to be signed by you, has been lodged at this office. In the event of *no notification to the contrary* being received *by return of post*, it will be assumed that it is correct, and the application will be dealt with by the Directors in the usual manner.

PARTICULARS.	
Application No.	Number of shares.
.....	.....
.....	.....
.....	.....

NOTE:—A reply to this communication is only required in the event of there being any objection to the application.

NOTICE TO PARTY ON WHOSE BEHALF NOTICE OF RESTRAINT HAS BEEN LODGED.

(This form can be modified, as requisite, where payment of divideds has been restrained).

The 'X' Company, Limited.

Medows Street,
Fort,
Bombay.....19....

DEAR SIR(S),

I beg to inform you that deed(s) transfering the..... Stock (.....shares) registered in the joint names of Q.B. and F.G., the Stock (.....shares) referred to in the Affidavit and notice of Restraint dated.....and lodged at this Office on the....., has(ve) been presented here for (certification|registration), and I have to give you notice on behalf of the company that such transfer(s) will* (when presented for registration) be duly passed by the Directors after the expiration of eight days from the date hereof, unless in the meantime proceedings are taken to prevent the registration of said transfer(s).

Yours faithfully,
Secretary.

*In the case of a transfer already lodged for registration cross out the words 'when presented for registration.'

(This notice should be sent by registered post).

FORMS OF NOTICES TO BE ADVERTISED FROM TIME TO TIME.

Advertisement in the Local Government Gazette (and in newspaper) of extraordinary resolution to wind up.

In the matter of The Indian Companies Act, 1913.
and
In the matter of The Excel Trading Company, Limited.
(In Liquidation).

Notice is hereby given that at an extraordinary general meeting of the abovenamed company duly convened and held at the Registered Office of the Company, Forbes Street, Fort, Bombay on the 1st day of April 1934 the following extraordinary resolution was passed, *viz.*:

(Set out extraordinary resolution to wind up).

Dated this 11th day of April, 1934.

K. N. CHAIRMAN.

ADVERTISEMENT IN THE LOCAL GOVERNMENT GAZETTE (AND IN NEWSPAPER OE SPECIAL RESOLUTION TO WIND UP.

In the matter of the Indian Companies Act, 1913
and
In the matter of The Excel Manufacturing Company, Limited.
(In Liquidation).

Notice is hereby given that at an extraordinary general meeting of the abovenamed company duly convened and held at the Registered

Office of the Company, Bank Street, Fort, Bombay on the 1st day of April 1934, the following special resolution was passed, and at a subsequent extraordinary general meeting of the said compnay, duly convened and held at the Registered office of the company on the 5th day of April 1934, the said resolution was duly confirmed, *viz.:*

(Set out the special resolution to wind up).

Dated this 15th day of April, 1934.

J. M. S. CHAIRMAN.

ADVERTISEMENT FOR CREDITORS (TO SEND IN THEIR CLAIMS).

In the matter of the Indian Companies Act, 1913.
and
In the matter of The A. B. C. and Company, Limited.
(In Liquidation).

Notice is hereby given that the creditors of the abovenamed company are required, on or before the 15th day of April, 1934, being the day for that purpose fixed by me, the Liquidator of the said company, to send their names and addresses, and the particulars of their debts or claims, and the names and addresses of their attorneys, if any, to the undersigned, and, if so required by notice in writing from me, either personally or by their attorneys, to come in and prove their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated 15th March, 1934.

M. C. Shah, LIQUIDATOR.

ADVERTISEMENT CALLING FINAL MEETING.

(To be published in the Local Government Gazette and Newspaper).
In the matter of The Indian Companies Act, 1913.
and
In the matter of the Excel Trading Company, Limited.
(In Liquidation).

Take notice that, pursuant to Section 217 of the Indian Companies Act, 1913, a general meeting of the Members of the abovenamed company will be held at the Registered office of the company, Hammum Street, Fort, Bombay, on the 30th day of April 1934, at 5 p.m. (S. T.), for the purpose of having an account laid before them showing the manner in which the winding up has been conducted and the property of the compnay disposed of, and of hearing any explanation that may be given by the Liquidator, and also of determining by Extraordinary Resolution the manner in which the books, accounts, and documents of the company and of the Liquidator shall be disposed of.

Dated the 1st day of April, 1934.

B. C. Liquidator.

APPENDIX A

(Continued)

FORMS AND PRECEDENTS

SECTION II

PROSPECTUSES

Prospectuses for Share Issue.
Share Certificates and Warrants.
Dividend Warrants.
Indemnity forms.
Index for Share Registers.
Request Letters for Payment of Dividend direct to Banks.
Request Letters for Conversion of Shares into Share Warrants.
Letter giving Directions as to Delivery of Share Warrants.
Dividend Advice to Bankers.
Share Warrant Application.
Application for Exchange of Share-Warrants into Registered Shares.
Certificate of Indemnity.
Forms of Proxy and Cancellation of the same.
Precedents of Minutes of Meetings (Statutory; Annual General).
Agenda.
Reports of Directors.

Note :—Forms already given in the text are not appended. A reference may be made for them in the Index.

PROSPECTUS

(GENERALLY)

A copy of this Prospectus has been filed with the Registrar of Companies, Bombay.

The Subscription List will open on.....and will close on.....

THE EXCEL COMPANY, LIMITED.

(Incorporated under the Indian Companies Act VII of 1913).

AUTHORISED CAPITAL—Rs.....

Divided into.....Shares of Rs.....each.

PRESENT ISSUE.

ISSUED CAPITAL.....Rs.....

Divided into.....Shares of Rs.....each.

Out of which.....shares have been agreed to be taken by the Managing Agents' firm and their family which will be allotted in full and the remaining.....shares are now offered for public subscription.

PAYABLE AS FOLLOWS.—

Rs.....per share on application, Rs.....per share on allotment and the balance of Rs.....per share in such call or calls as the Board of Directors may determine.

DIRECTORS.

(Names, addresses, etc., of all the directors and proposed directors).

MANAGING DIRECTOR.

(Name and address).

BANKERS.

(Name and address of Bankers)

SOLICITORS.

(Name and address).

AUDITORS.

(Name and address).

MANAGING AGENTS.

(Name and address).

REGISTERED OFFICE.

Mahomedalli Mansions, Hammum Street, Fort, Bombay.

PROSPECTUS.

OBJECTS OF THE COMPANY.—The company has been formed with objects set out in the Memorandum of Association (copy whereof

together with the names of the signatories thereto is printed over-leaf and forms part of this Prospectus), and in particular, for the purpose of establishing and carrying on the business of growers and planters of and dealers in sugar cane, sugar beets and any other crops, and of manufacturers, refiners, distillers, exporters and importers of and dealers in sugar, gull, molasses and residual and other products and by-products thereof.

The Company's Factory is being erected at.....in the Bombay Presidency, and the same will be capable of crushing 800 to 1,000 tons of cane per day of 22 hours.

PROGRESS AND PRESENT POSITION OF THE COMPANY.—A. B. & Co., Ltd., a company registered as Private Company under the Indian Companies' Act, 1913, and having its Registered Office, at Bank Street, Bombay, are the promoters of the Company and as such promoters they placed orders for plant and machinerys. The said promoters have proceeded and are proceeding with erection of such plant and machinery (which have been for the most part delivered at the site of the Company's Factory) and with the construction of the factory and other buildings and works including officers' staffs' and coolies' quarters and railway siding to be connected with the factory and it is expected that the factory will be ready to commence work by the beginning of 1934-35 season. The said promoters have acquired land for the purposes of the Company, and have also entered into contracts and arrangements for the purchase of sugarcane which will be required by the Company during the next season which begins in November next, and have done and are doing several other acts, deeds and things for the Company in relation to the matters aforesaid and in relation to the promotion, formation and establishment of the company and for carrying out the objects thereof. They have incurred and are incurring considerable outlay and have paid and are paying all moneys, expenses and outgoings for the above purposes, and a very large amount will be found due to them by the Company in respect thereof

By clause III (1) of the Memorandum of Association, it is provided that the Company is to purchase and otherwise acquire and take over from the said promoters the said lands so acquired by them as aforesaid as also all plant and machinery ordered, contracted and negotiated for being purchased by them for and on behalf of the Company and to adopt, take over and carry into effect all contracts, arrangements and negotiation entered into, made or had by the said promoters for and in relation to the construction and erection of the Company's Sugar Mills and Works including the railway siding and all other matters, acts, deeds and things done, proceeded with or arranged by the said promoters in connection therewith and in relation to the promotion, formation and establishment of the Company and in furtherance to the objects thereof, including all contracts for the purchase of sugar cane and other produce for the working of the Company's Sugar Mills, on the same terms, conditions, provisions and covenants as to price, delivery, possession, rent, premium, advance payments, period and otherwise on which the said promoters have purchased, taken on lease or otherwise acquired or negotiated for being acquired the said lands and have ordered or contracted or negotiated to purchase the said plant and machinery and have entered into contracts, arrangements and negotiations for or in relation to

the construction and erection of the Company's Sugar Mills and Works and the said railway siding and for the purchase of sugar cane and other produce as aforesaid, together with all costs, charges and expenses and other outgoings incurred or paid by the said promoters in relation to the several matters aforesaid and for or in relation to the promotion, formation and establishment of the Company in terms of the agreement relating thereto to be entered into by the Company with the said promoters, being the agreement (a) referred to in Article 4 of the Articles of Association of the Company.

The cost of the Company's Factory and Works including lands, buildings, ware-houses, officers', staffs' and coolies' quarters, railway siding, plant and machinery and other equipments is estimated to amount to about Rs.....and the total sum paid by the promoters in respect of the matters aforesaid and otherwise in relation to the Company and its formation, incorporation and establishment amounts at present to about Rs.....

It is proposed to issue for the present capital to the extent of Rs.....out of the authorised capital of Rs..... and to raise a debenture loan of Rs.....(for which arrangements have already been made with Swadeshi Bank, Limited) by the issue of First Mortgage Bearer Debentures for that amount charged on the Company's Sugar Mills and Works consisting of the land on which the same stand and the mill and other buildings and structures, quarters and other erections standing thereon, and the plant and machinery which are now and or which may hereafter during the continuance of the security be on the premises, including the said railway siding, the said debentures to bear interest at 6 per cent per annum payable half-yearly, the income-tax on such interest being payable by the debenture holders. Brokerage at the rate of 1 per cent on the amount of the said debenture loan has been agreed to be paid by the Company.

Out of the proceeds of the present issue of capital and the amount of the debenture loan so to be raised by the Company as aforesaid, the Company will pay off to the promoters the said amount already paid by them as aforesaid, and the further amount that may hereafter be paid by them on behalf of the Company, in terms of the said agreement (a) referred to in clause 4 of the Articles of Association of the Company.

No amount is to be paid to the said A. B. & Co., Ltd., as such promoters and vendors as aforesaid either as promotion money, or for good-will, except that they are to be paid interest at the rate of 6 per cent. per annum on the amounts paid by them on behalf of the Company.

CANE PROSPECTS.—The Company's Factory is situate in the midst of very extensive sugarcane growing area, and within a radius of 12 miles thereof, sugarcane crop is in very great abundance. On the basis of a daily cruch of 800 to 1,000 tons, approximately 35 to 40 lakhs of maunds of cane will be required during the season, and it is believed that there would be no difficulty in securing these quantities within a reasonable distance of the Company's Factory.

PROSPECTS OF THE COMPANY.—Sugar industry is at present one of the premier industries of India, particularly by reason of the passing of the Sugar Factory (Protection), Act XIII of 1932, by the

Government of India, whereby Indian sugar has been very beneficially protected against importation of foreign sugar until 31st March, 46, in consequence of which the outlook for Indian sugar is believed to be bright. It is, therefore, fairly presumed that the prospects of the Company are indeed promising.

MINIMUM SUBSCRIPTION.—The minimum subscription upon which the Directors will proceed to allotment is shares of the nominal value of Rs.....exclusive of the shares, if any, payable otherwise than in cash and the amount payable on application on each share shall not be less than 10 per cent of the nominal amount of the share, as provided in Article 8 of the Articles of Association of the Company.

CONTRACTS.—The following agreements will be entered into by the company as provided in Article 4 of the Articles of Association of the company:—

(a) An agreement between A. B. & Co., Ltd., of the one part and the company of the other part, being the agreement for the purchase, acquisition and taking over by the company from the said A. B. & Co., Ltd., of the several plots of land taken on lease or otherwise acquired by them, and for the purchase of the plant and machinery ordered for the company's sugar mills and works to be erected at Surat and of all buildings and constructions in relation thereto including the railway siding to be connected therewith, and for the adoption of all contracts, arrangements and negotiations entered into and made by them therefor and for the purchase of sugar cane and for all other matters acts and things done by the said A. B. & Co., Ltd., for or in relation to the promotion, formation and establishment of the company, and for payment to the said A. B. & Co., Ltd., of all moneys, outlays, costs, charges, expenses and outgoings, incurred or paid by them therefor, and for or in relation to the company, together with interest thereon at 6 per cent. per annum as provided in the said agreement.

(b) An agreement between the Company of the one part and the firm of A. B. & Co. of the other part, being the agreement providing for the appointment of the said firm of A. B. & Co. as the managing agents of the company, for the period and upon the terms and conditions therein contained.

REMUNERATION OF THE MANAGING AGENTS.—Under the provisions of the said agreement (b) the remuneration of the managing agents shall be as follows:—

NOTE.—Here the terms of the Managing Agents' agreement as to remuneration are to be briefly stated.

(a) A sum of Rs. 1,500 per month commencing from the date on which the company is entitled to commence business as an office allowance for supervision of and attention to company's business, with power to the Directors to increase such office allowance from time to time whenever they shall consider the affairs of the Company warrant such increase.

(b) A commission at the rate of two per cent. on all the sales of the company's products.

(c) A commission at the rate of five per cent. on the net profits made by the company in any year or other period for which the

accounts of the company are made up and laid before the general meeting, such profits to be calculated after making all proper allowances and deductions from revenue for all usual working charges, outgoings and repairs chargeable against profits and for interest on loans, advances, and deposits, including interest on debentures (if any), but without any deduction being made for or in respect of any expenditure on capital account, or for any amount that may be set aside for or carried to depreciation, insurance, reserve or any other special fund or funds, or for or in respect of income-tax, super-tax, excess profits duty or any other tax or duty on income or revenue.

The managing agents shall also be paid such further remuneration either by an increase in the percentage of the said commissions or by way of bonus, as may from time to time be sanctioned by the company in general meeting on a recommendation of the directors.

The managing agents are also to be paid the costs, charges and expenses preliminary and incidental to the formation, establishment and registration of the company which may have been paid or incurred by them or for which they have or may become liable.

PRELIMINARY EXPENSES.—It is estimated that the preliminary expenses will not exceed in the aggregate Rs.....

COMMISSION AND BROKERAGE.—The Articles provide for payment of commission to any person for subscribing capital of the company whether absolutely or conditionally for any shares in the company at the rate not exceeding two per cent. on the face value of the shares subscribed, or agreed to be subscribed, but this provision is not to effect the right of the company to pay such brokerage as it has hitherto been lawful for the company to pay.

Brokerage will be paid at the rate of half per cent. on the nominal amount of the shares in respect of accepted applications received by the company through registered brokers.

DIRECTORS' INTEREST.—Mr C. A., Mr. E. A. and Mr. F. A. are three of the directors of the company and are also partners in the firm of A. B. & Co., the managing agents of the company, and as such they are interested in the remuneration to be paid by the company to the said managing agents. The said C. A., E. A., and F. A., who are the directors of the company, are also the directors of the said A. B. & Co., Ltd., who are the promoters of the company and also the vendors to the company in respect of the lands, buildings, machinery, plant, railway siding and other articles and things and of all contracts and negotiations therefor to be taken over and adopted by the company and who are to be paid by the company the actual amount paid by them for the said lands, buildings, machinery, plant, railway siding and other materials and things, and contracts and negotiations in terms of the said agreement, (a) referred to in Article 4 of the Articles of Association of the company together with interest on such amount at the rate of 6 per cent. per annum, and are, therefore, interested in the amount so to be paid by the company to the said vendors.

DIRECTOR'S QUALIFICATION AND REMUNERATION.—The qualification of a director (other than the *ex-officio* director, the special director, or the debenture or mortgage director) shall be the holding of shares

in the company of the nominal value of Rs.....registered in his name.

The remuneration of every director shall be such amount as may be fixed by the directors, not exceeding Rupees Fifty for each meeting of the Board attended by him. The Directors shall also be paid such further remuneration (if any) as the company in general meeting may, from time to time, determine such further remuneration to be divided among the directors in such proportion and manner as provided by Article 118 of the Articles of Association of the Company. The Director who is not a *bona-fide* resident of Bombay may also receive extra compensation or for his travelling expenses. The directors are also to receive special remuneration for extra services rendered by them to the company.

INSPECTION.—Drafts of the agreements to be entered into by the company as aforesaid and prints of the Memorandum and Articles of Association of the Company may be inspected at the registered office of the company during office hours.

APPLICATION FOR SHARES.—Application for shares should be made on the accompanying form and forwarded together with the deposit of Rs.....per share which should be paid to the managing agents at the registered office of the company. In case no shares are allotted, the whole of the deposit will be refunded and if lesser number of shares are allotted, the excess will be utilised for peyment of the amount of the allotment money and if any balance left it would be refunded.

Prospectus and forms of application for shares can be obtained at the Registered Office of the Company.

Dated at Bombay this 25th day of September, 1934.

C. A.
G H.
F. A.
I. A.
E. A.

FORM OF
PROSPECTS IN FORM OF NEWSPAPER ADVERTISEMENT.

The Excel Company, Limited.

(Incorporated under the Indian Companies Act, 1913).

AUTHORISED CAPITAL.....Rs.....

Divided into.....ordinary shares of Rs.....each, of which.....shares are now offered for public subscription payable as follows:—

On application .....Rs.....per share.
On allotment .....Rs..... „ „

The balance will be payable as and when called by the directors. After allotment the directors propose to call up a further sum of Rs.....per share, making the shares paid upto the extent of

50 per cent. It is not proposed, at present, however, to call up any further sums on the shares.

Applications have been already received from the directors and their friends for.....shares equal to Rs.....

Notice is hereby given that the company has published the prospectus dated 15th April 1934, a copy of which has been filed with the Registrar of Joint Stock Companies in Bombay, inviting subscription for the above shares.

The above prospectus gives in detail information in connection with the outline of the scheme of the company's business and the prospects of the success, preliminary expenses, directors' qualification and remuneration as well as their interest and other details required by the Companies Act. The copies of the said prospectus together with the form of application for shares can be had on application to the managing agents at the address given below at the foot of the advertisement.

It may be pointed out that this notice is not to be regarded as a public invitation to subscribe for shares and applications will only be received on the footing of full prospectus and in the form issued along with the said prospectus.

DIRECTORS.

MANAGING AGENTS:—

BANKERS:

REGISTERED OFFICE:
94, Esplanade Road,
Bombay.

NOTE.—The above abridged prospectus must also be filed with the Registrar of Companies. In this connection the exact meaning of what is a prospectus was dealt with in a Calcutta case, *viz., Pramathanath Sanyal v. Kali Kumar Dutta (1925) 52 Cal 440* which is important. Here a prospectus was filed with the Registrar of Joint Stock Companies under S. 92 of the Act and thereafter a newspaper advertisement was published to the following effect:—

"Some shares are still available for sale according to the terms of the prospectus of the company, which may be obtained on application etc., etc.,". This prospectus or advertisement was not filed with the Registrar of Joint Stock Companies and on a complaint being lodged, the secretary of the company was fined, which fine was confirmed in Appeal. Here in this case it was argued before the Appeal Court of Calcutta that the advertisement in question was not a prospectus within the meaning of the Act but specifically referred to a prospectus, copy whereof had been filed with the Registrar of Joint Stock Companies. The Court held that in as much as the advertisement was offering to the public some shares of the company for sale, it fell under the definition of prospectus as contained in section 2(14) of the Act. This prospectus thus not having been filed, an offence was committed. If of course the copy of the advertisement had been filed in the shape in which it was issued, the Registrar would not have accepted same as it did not comply

with all the requirements of the Act. In this connection two cases were cited by the learned judges, *viz., New Brunswick & Canada Railway & Land Co., v. Muggeridge (1860) I Dr. & Sm. 363 at p. 381* followed in *New Brunswick & Canada Railway & Land Co., v. Muggeridge (1860) I Dr. & Sm. 363* and *Central Railway Co., of Venezuela v. Kisch (1867) L.R.2 H.L.99 at p.113.*

Mukerji J. in the above Calcutta case thus laid down that:—

"It is obvious that the preparation of a prospectus necessitates the greatest care; while an attractive statement of the advantages offered is justly permissible, every statement made should be an honest one, no ambiguous phraseology, unfair reservation, or half truths should be allowed to be used or to creep in. On a reference to the sections mentioned above, together with some of the other sections of the Act *i.e.*, 88,84 and 100, it is clear that one of the chief aims of the Legislature has been to secure the fullest disclosure of all material and essential particulars as to the state of affairs of a company, and lay the same in full view of all intending purchasers of its shares or participators in its profits. With that object the Legislature has provided that any invitation to the public for that purpose should be subject to the scrutiny of the authorities. It has, therefore, been enacted in section 92 of the Act that an advertisement of the nature which forms the subject-matter of the present cases should be placed before the Registrar by filling a copy of it before it is issued, and it has also provided that in order to be so filed it must contain essential particulars such as are mentioned in section 93. That this is so also appears from sub-section (2), of section 93 which makes some exemptions in the case of newspaper advertisements, and sub-section (3) of that section which makes the section inapplicable to a circular or notice inviting existing members of debenture-holders of a company to subscribe either for shares or for debentures. It is clear that an advertisement in the shape in which it has been published would not have been accepted by the Registrar as satisfying the requirements of section 93; but that only means that it should not have been issued."

THE A. B. COMPANY LTD

40, ESPLANADE ROAD.

FORT BOMBAY.

SHARE CERTIFICATE.

No.....

Name..... .....

Address..... . ....

....

....

No. of Shares..... ....

Nos. From. ....To.....

Date..... .....

Signed by.....

Director

.....

Secretary.

SHARE CERTIFICATE.

No. .. . . No of Shares.....

Ledger Folio.....

THE A. B. COMPANY LTD.

(Incorporated under the Indian Companies Act, 1913).

Registered Office: 40, ESPLANADE ROAD FORT—BOMBAY.

Capital Rs. 1,00,000.

Divided into 1,000 shares of 100 each.

This is to certify that.. .....of ....is registered as the holder of..... shares of Rs. 100 each, numbered from.....to.....in the A. B. COMPANY LTD., pursuant to the provisions of the Memorandum and Articles of Association of the said Company, and upon each of the shares the sum of Rs.....has been paid up.

Given under the common seal of the Company this..... day of.....193 .

.....Director.

.....Secretary.

(Reverse of Share Certificate).

Calls Received.

Date.	No. of Call.	Amount per Share.	Total amount paid.	Signature of authorities Officer of Company.

TRANSFER CERTIFIED OR LODGED.

NOTE:—This endorsement is lodged for the Company's purposes only, and must not be written upon.

Date of certification or Lodgment.	Name of Transferee	No. of Shares.	Distinctive Numbers.		Transfer No.	New Certificate No.
			From	To		

APPENDIX A—SECTION II

FORM OF DIVIDEND NOTICE AND WARRANT.

Serial Number..... No.....

THE 'X' COMPANY, LIMITED.

BOMBAY.....19.....

Final/Interim Dividend of.....per share in respect of the year ended.....19..... on.....shares of..... each held by you.

Dividend.....Rs.....

Less Income Tax at.

.....in Rs.....Rs.....

Rs.....

Name.....

.....

I certify that the Income Tax on the profits out of which the abovementioned divided is paid, has been, or will be, duly accounted for by the Company to the proper Officer for the receipt of Taxes.

N.B.—Proprietors claiming exemption from or abatement of Income Tax are informed that the Inland Revenue Commissioners will accept this statement as a certificate of the deduction of Income Tax. It should therefore be carefully preserved. A charge of (.....) will be made for each duplicate issued.

.....

Secretary.

.....(Perforated).....

Serial No..... Dividend Warrant No.....

DIVIDEND WARRANT.

THE 'X' COMPANY, LIMITED.

BOMBAY..... 19.....

(Revenue Stamp).

To THE 'A' BANK, LTD.

BANK STREET, BOMBAY.

Pay to.....or order the sum of.....

.....

For and on behalf of the 'X' Company, Limited.

Rs..... Signature.....

Signature of Payee.....

NOTE:—This Warrant must be signed by the Payee and presented to the Company's Bankers within six months of the date hereof.

FORM OF INDEMNITY AND REQUEST FOR DUPLICATE DIVIDEND WARRANT.

To The 'X' Company, Limited.

In consideration of The 'X' Company issuing to me a duplicate Warrant for the (Interest or Dividend) to the (30th June or 31st December, 19.....), amounting to Rs.....on the (amount of holding, *e.g.*, Rs. 100 ordinary stock) registered in my name, in lieu of original Warrant No.....dated.....which has been lost, destroyed, or mislaid, I hereby undertake and engage for myself, my Executors, Administrators and Assigns, to hold the said Company, and the Directors and Officers thereof, harmless and indemnified against all losses and expenses which may be incurred in

the event of the said original Warrant being paid or forthcoming at any future time, or otherwise in consequence of the said Company issuing a duplicate to me as aforesaid, and I request that such duplicate Warrant may be issued to me accordingly and I engage to return the original should it be found.

Dated this.....day of... ..0....., 19..:.....

Signature.....

Address.....

Witness·

Signature.....

Address.....

Occupation.....

NOTE —Where there are circumstances involving the slightest suspicion or the amount involved is substantial, the holder's bankers should be requested to join in the indemnity.

RUBBER STAMP ON TRANSFER, FOR RECORD OF OPERATIONS.

(By using this form on transfer deeds the need for a separate Register of Transfers is divided).

THE 'X' CO., LTD.	
Transper Receipt No.....	
Date Recd.....	
Notice sent.....	
Date Passed.	
Old Cert. No.....	
Transferor's Fo.....	
New Cert. No.....	
Transferee's Fo.....	
Date Cert. sent.....	

FORM OF ORDINARY INDEX TO SHARE REGISTER.

NOTE:—It may be noted that the loose-leaf ledger if introduced makes this system obsolete, as the same if properly kept is an index in itself, and may be so arranged as to contain most of the information which this form provides.

Surname	Christian Name	*Address*	*Payee &c.*	HOLDING		
				Debentute Stock	*Preferenre* Shares	*Ordinary* Shares
				Folio	Folio	Folio

FORM OF CARD INDEX TO SHARE REGISTERED.

Name .....
Description.....
Address.....
Registration Number....

	HOLDING.	FOLIO.
Ord. do.....		.....
Pref. Shares.		.....
4½% do. Rs...		.....
5% Deb Rs....		.....
....		.....

PLEASE SIGN IN SPACE PROVIDED. (Using your Ordinary Signature).

Shares
Stock
holder's Specimen Signatur:—

Dividend Instructions:

.....
.....

Remarks:

REQUEST FOR PAYMENT OF DIVIDENDS DIRECT TO BANKERS.

The Excel Company, Limited.

Ballard Estate,
Bombay,
.....19.....

DEAR SIR or MADAM,

PAYMENT OF DIVIDENDS TO BANKERS.

The payment of dividends *direct to Bankers* is strongly recommended by the Company as it not only ensures their being promptly collected, but also lessens the risk of warrants, after receipt, being mislaid or lost.

The Dividend Statement, containing the certificate of deduction of Income Tax would be placed in the Proprietors' Pass Book by their Bankers in the usual manner.

Proprietors who desire their dividends to be so remitted are asked to complete and return to the Company the attached form of authority.

Yours faithfully,

.....
Secretary.

.....(Perforation).....

FORM OF REQUEST TO BANKERS TO PAY ALL DIVISIONS, INTERESTS AND BONUSES TO BANKERS.

AUTHORITY TO PAY INTEREST OR DIVIDENDS.

No.....

To,
THE 'X' COMPANY, LIMITED,
Medows Street, Fort,
BOMBAY.

For Office use only.
Noted.....
Sh. Reg. Fol.....
Ackd.....
S ncl.....

Please pay all Dividends, Interest or Bonuses which I am now or may be hereafter entitletd to receive to the*.....
.....Bank at. ....whose acknowledgment shall be a sufficient discharge.

Dated this..... ...day of.....19... ..

@ Proprietor's Signature.....
Proprietor's Full Name.....
Permanent Address..... .....

* Insert correct description of Bankers with full postal address.

@ In Joint Accounts this Form must be signed by all the Registered Holders.

DEBENTURE STOCK REDEMPTION RECEIPT.

Received of the 'X' Company, Limited, the sum of.....
.....in full satisfaction and discharge of all moneys payable or to become payable in respect of the Rs..... Stock of the said Company of which I am/We are the registered proprietor(s) referred to in the Certificate(s) numbered..... and of all claims and demands on account thereof. The said

Certificate(s) is|are delivered up by me|us for cancellation of the Rs.....Stock therein referred to.
Rs.....

Dated the.....

Signature.....Stamp.....

Address.....
Signature.....
Address.....
Signature.....
Address.....

FORM OF APPLICATION FOR DIRECT PAYMENT OF DIVIDENDS TO BANKS

The Excel Company, Limited.

Ballard Estate, Bombay.

I|We, the undersigned, hereby request that you will pay, until otherwise instructed all dividends and interest now due, or that may from time to time become due on any Shares or Debentures now held by me|us or that may at any future time stand in my|our name(s) on the books of The Excel Company Limited, to.....of.....
*(See footnote)
whose receipt shall be your full and sufficient discharge.

Dated this.....day of.....19.....

NOTE.—*In the case of Joint Accounts, all Holders must sign this form.*

SIGNATURE.	ADDRESS.

*The Company cannot undertake to make Warrants payable to any particular account with a Bank; such instructions should be given direct to the Bank. @

@This Note should be printed in red.

FORM OF REQUEST OR APPLICATION TO CONVERT FULLY PAID-UP SHARES INTO SHARE WARRANTS.
APPLICATION FOR SHARE WARRANTS.

No.....

Date Lodged.....

.....Shares.

To The Directors of

The 'X' Company, Limited,

Medows Street, Fort, Bombay.

I|We, the undersigned, being the Holder(s) of..... registered Shares of your Company, as per particulars at back hereof the Certificates whereof I|we enclose, hereby request you to issue to me|us the following Share Warrant(s) to Bearer, in respect thereof, and I|we enclose remittance for Rs.....to defray the charges for same as undernoted.

Particulars of Shares Warrants Required.		Application Fee.	Warrant Fees	Stamp Duty*	
No.	Description.	1 to 5 Shares. Rs .... over 5 Shares,. per 100 or fraction thereof	for each Warrant.		Total.
.	*1 Share.....				
	5 Shares.....				
...	25 Shares.....				

* Only 5 per cent. of the number of Shares to be converted will be issued in Warrants of 1 Share each at the usual fee. Shareholders desiring a larger proportion can obtain them on payment of.....per Warrant extra. Rs.

Dated this.....day of.....19.....

Witness: Shareholders Signature....

..... Name in full.....

Address in full.....

Address.....

.....

.....

Occupation.....

@ The Signature must be attested by a Witness who must add his Postal Address after the name. When the Signature is affixed out of Great Britain it must be attested by H.M. Consul or Vice-Consul. Notary Public, or by some other personholding a public position.

*Three times the amount of ad valorem Stamp Duty chargeable on deed transferring the share(s) if consideration for transfer be nominal value of shares.

DIRECTIONS AS TO DELIVERY OF SHARE WARRANTS.

One of these forms of Directions must be signed by the Shareholder.

Please deliver the Share Warrants above referred to, when ready, to the Bearer of the Voucher given by the Company on lodgment of this application, whose receipt shall be a sufficient discharge to the Company for the same.

.....Shareholders' Signature.

DIRECTIONS TO TRANSMIT THE WARRANTS BY POST.

Please forward to.....at.....
.....*at my risk*, the Share Warrants referred to above, when ready, by.....
.....Shareholders' Signature.

Left by (Name).....

(Address).....

The following particulars to be filled in before this form is lodged at the Company's Office

Nos. of Certificates.	Number of Shares.	Distinctive Numbers of Shares.		Nos. of Certificates.	Number of Shares.	Distinctive Numbers of Shares.	
		From	To			From	To
						Forward.	
		Forward.					

DIVIDEND ADVICE TO BANKERS.

The Excel Company, Limited.

Ballard Estate,
Bombay,
.....19.....

Registered.

The Manager,
.....Bank, Ltd.,
(Head Office).
.....
.....

DEAR SIR,

Dividend No.....of.....per share, less Income Tax at.....ps. in Rs.

In accordance with instructions received from those of our Shareholders who desire that their Dividends should be sent direct to their accounts with your Bank, I enclose this Company's cheque for Rs.....,made up as stated hereunder, together with the relevant Income Tax Vouchers.

Yours faithfully,
.....
Secretary.

Dividend Top No.	Amount. Rs. a. p.	Dividend Top No.	Amount. Rs. a. p.
		Brought forward....	
Carried forward....		Total ..	

SHARE WARRANT APPLICATION RECEIPT.

THE 'X' COMPANY, LIMITED.
Incorporated under the Indian Companies Act, 1913.
Registered Office: Medows Street, Fort, Bombay.

No.....

.....19.....

RECEIVED from.....
(Share Warrants for).....
(Shares for exchange into Warrants of.....
denominations as undernoted).....
(Registered Shares in the name of.....)
with an application for the following Share Warrants:—

	Application Fee	Warrent Fee	Indian Stamp Duty	Total
.....of 1 Share each.				
.....of 5 Shares „				
.....of 25 Shares „				
Total.....				

Signed.....

Warrants to be ready on.....

(Perforated)

THE 'X' COMPANY, LIMITED.
Incorporated under the Indian Companies Act, 1913.
Registered Office: Medows Street, Fort, Bombay.

No.....

Company's Shares Rs.....
Indian Stamp Duty Rs.....

The Documents applied for will be delivered to the bearer in exchange for this voucher on.....
.....or any following day between 11 and 1 o'clock, Saturdays excepted.

The bearer must be prepared to state full particulars of the documents he is to receive.

This voucher is issued subject to the approval of the application by the Directors.

FORM OF APPLICATION FOR REGISTERED SHARES IN EXCHANGE OF SHARE WARRANTS.

Application No.....
New Share Cert. No.....

To The 'X' Company, Limited,

I, the undersigned, being the holder of the under-mentioned Share Warrants to Bearer of your Company, representing.....Shares, hereby surrender the same to be cancelled, and request that you will enter my name in the Register of Members as the proprietor of the said Shares.

Please forward the new share certificate by post, at my risk, to.....at..... .....

Enclosed is Rs....., being the fee required in accordance with the conditions of issue of share warrants...

Signature.....
Name in full.....
Address.....
Occupation.....
Date..... ..19 ,

No. of Warrants.	Distinctive No. of Shares.	Denomination.	No. of Shares.
.....	A.....	One.....	.....
.....	B.....	Five.....	.....
.....	C.....	Twenty-five....	.....
		Total Shares	

CERTIFICATE OF IDEMNITY.

The Excel Company, Limited,
Ballard Estate, Bombay.

I.....
of.....
hereby declare that I have been personally acquainted for..... years with..... .....
.....
.....
of.....
.....
.....
who is registered in the books of the Excel Company, Limited, as the Holder of.....share of.....each, and that I hereby vouch that.....
of.....
.....
.....

.....
named in the*.....
.....
herewith exhibited is the same person as the said.....
Signature.....
Address.....
Description.....
Date.....19 ,

FORM OF PROXY.

The X, Y, Z Company, Limited.

I.....of.....
.....being a member of the X. Y. Z. Company Limited, hereby appoint Mr.....of.....
(or failing him, Mr.....of.....or failing him, Mr.....of.....)as my proxy, to vote for me and on my behalf at the.....General Meeting of the Company to be held on the.....day of .....1934 and at any adjournment thereof.

As witness my hand the.....day of.....1934.

Signed by the said.....
.....in the presence of
.....

LETTER OF CANCELLATION OF PROXY.

The Secretary,

The X, Y, Z Company, Limited.

DEAR SIR,

Please note that I hereby cancel and revoke all proxies that I may have signed or given before the date of this letter authorising any person or persons to vote on my behalf at any meeting of the shareholders of the company.

Dated this.....day of..... .....1934.

Yours faithfully.

PRECEDENT OF MINUTES OF STATUTORY MEETING.

The Minutes of the Statutory Meeting of the Bombay Provincial Co., Ltd., held on 15th June, 1934, at the registered office of the said company in 80, Esplanade Road, Bombay, at 4 P.M. (Standard Time).

Sir Rustomji Cowasji....(Chairman).

Present: Mr. X, Mr. Y and Mr. Z (Directors).

In attendance: Mr. A. Secretary of the company.
Mr. B, lawyer of the company.

The secretary read out the notice convening the meeting. The Statutory Report having been circulated among the members was taken as read.

The chairman next explained to the members present that the meeting was called to comply with the requirements of Section 77 of

*Insert a description of the document that require identification.

the Indian Companies Act. He also pointed out that a list showing the names, descriptions and addresses of the members of the company and the number of shares held by them respectively was available and would remain open and accessible to any member present all throughout the continuance of the meeting for the purpose of their inspection.

He thereafter explained the general position of the company as shown by the statutory report sent to the members already and invited the members present to discuss any matters relating to the formation of the company or arising out of the statutory report irrespective of the fact whether they had given previous notice. A number of members present thereupon asked questions which were duly answered and after a brief discussion the meeting terminated with a vote of thanks to the chair.

SPECIMEN OF MINUTES OF ANNUAL GENERAL MEETING.

Minutes of the 25th annual general meeting of the Bombay Weaving and Spinning Company, Limited, held at the registered office of the company in 80, Esplanade Road, Bombay, on 17th June, 1934, at 5 P.M. (Standard Time).

Present:—Pestonji Maneckji, Esq. (Chairman).
Mr. A. B., Mr. C. D., Mr. E. F. and Mr. G. H. (Directors)
In attendance: Mr. J. K., secretary,
Mr. L. M., the lawyer of the company.

There were present 125 shareholders according to the list in schedule A.

The secretary read the notice convening the meeting and the report of the directors and auditors was taken as read, having been already sent to all the shareholders concerned.

The chairman thereafter addressed the meeting describing the work done during the year under review in the report, showing how the company's business had progressed and detailing the additional profits made. He also referred to the new branch office opened in Ceylon in connection with the company.

The chairman thereafter moved a resolution and was seconded by Mr. A. B., which resolution was unanimously carried.

Resolved that the 25th annual report, balance-sheet, profit and loss accunt annexed there with and now before the meeting be adopted and passed.

Resolved that a dividend of 15% free of income-tax for the year ending 31st December, 1933, be and is hereby declared payable forthwith to all shareholders whose names appear on the register of members on that date.

Mr. Jones proposed, which proposition was seconded by Mr. Roberts and unanimously carried as follows —

Resolved that the retiring directors Mr. A. B. and Mr. G. H. be re-elected.

Mr. Shareholder proposed, which resolution was seconded by Mr. Investor and unanimously carried as follows:—

Resolved that Messrs. Mathematician and Sons be and are hereby re-elected auditors of the company for the new year at the yearly remuneration of Rs. 1,000.

There being no further business the meeting terminated with a vote of thanks to the chair as well as to directors and the staff.

AGENDA OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE SURAT MILLS, LIMITED.

(1) To adopt the Directors' Report and Audited Statements of Account for the year ended December 31st, 1933.

(2) To sanction the declaration of a dividend.

(3) To elect a Director in the place of one who retires from office under Article 97 of the Articles of Association of the company but is eligible for re-election.

(4) To appoint auditors for the coming year and fix their remuneration.

(5) To transact any other business that may be brought forward by the chairman.

PRECEDENT OF DIRECTORS' REPORT OF A MILL COMPANY.

Fifteenth report of the directors of the Excel Mills, Limited.

To

THE SHAREHOLDERS.

GENTLEMEN,

Your directors have much pleasure in laying before you the audited balance sheet and profit and loss account for the year ending December 31, 1933.

1. The year's working shows a profit of Rs. 4,32,583-1-1 to which must be added the sum of Rs. 43,927-4-10 brought forward from the previous year, making a total of Rs. 4,76,510-5-11 which your directors recommend be appropriated as follows:—

To pay a dividend of Rs. 7 per share free of income-tax	Rs.	2,73,329	0	0
To Depreciation Account	„	1,50,000	0	0
To bonus to staff	„	5,000	0	0
To be carried to next year's account (including provision for income-tax and super-tax	„	48,181	5	11
	Rs.	4,76,510	5	11

2. Mr. A. B. became *ex-officio* director during Mr. C. D.'s absence on leave in England. Mr. C. D. resumed his seat as *ex-officio* director on his return from leave.

3. Your directors regret to report the death during the year of one of their most valued colleagues, Mr. E. F., a director of the company since 1929.

4. In accordance with Article No. 97 of the company's Articles of Association, Mr. G. H. retires from office by rotation but is eligible for re-election.

5. The followng new machinery was ordered during the year to replace old machinery in No. 2 mill:—

140 Carding engines.
2 Drawing frames.
2 Slubbing frames.
2 Intermediate frames.
2 Rowing frames.
103 High draft ring frames.

A part of this machinery has already arrived and the balance will be shipped during the current year.

6. The mill buildings, machinery, stocks and stock in Trade are insured for Rs. 64,19,635 and your profits and fixed charges have been insured for Rs. 11,96,970 covering a period of 18 months.

7. You are requested to appoint auditors for the coming year and to fix their remuneration.

Yours faithfully,
C. D.
Chairman.

Bombay, 20th March, 1934.

PRECEDENT OF A REPORT OF A SPECIAL COMMITEE OF DIRECTORS, APPOINTED TO INVESTIGATE AND REPORT ON THE DESIRABILITY OF OPENING A BRANCH AT MADRAS FOR THE SALE OF THE MANUFACTURES OF THE COMPANY IN ACCORDANCE WITH THE TERMS OF RESOLUTION PASSED AT THE MEETING OF THE DIRECTORS OF THE COMPANY HELD ON 24TH AUGUST, 1934.

RESOLVED.—That a committee of directors be appointed consisting of Messrs. A. B. C. and D., of which Mr. A. is to act as the chairman, to consider and report on the question of opening a branch office in Madras, in view of the increased demand of the manufactures of this company from that side. The committee is authorised to investigate this question fully and for that purpose the members of the committee are hereby authorised to proceed to Madras for detailed and direct investigation

Present Position.

The average yearly sale of our manufactures in the Madras Presidency for the past five years are computed at Rs. 10,00,000. The figure of sales has shown a tendency to increase during the past two years. It is, however, noticed that a large number of claims, and complaints arise, which could be more conveniently dealt with on the spot if we had our own managers there. We have also continually received an increasingly large number of letters from would-be buyers who have repeatedly expressed their regret at our not having a branch office on their side with which they could deal direct to a greater mutual advantage.

INQUIRIES MADE

The committee met fifteen times during the last four months in Bombay and carefully weighed and considered the whole correspondence on the subject placed before them by the secretary. They also interviewed various dealers and their representatives in Bombay. Two of the members of the committee, *viz.*, Messrs. A. and B., were deputed to proceed to Madras, who visited fifteen dealers in the Presidency, whose names are given in the schedule attached herewith and marked A. The majority of these dealers were of opinion that a branch office for the Presidency in a central place like Madras, and preferably at Mount Road, exhibiting the various articles of our manufactures would result in doubling our sales within a year. It was also urged that this step would lead to the alteration of patterns and styles suitable to the special requirements of buyers in the Madras Presidency. It was also the opinion of almost all the parties interviewed that the

present arrangement which forces the company to deal through agents was quite unsatisfactory.

It is also ascertained that the company is paying yearly Rs. 15,000 to Rs. 20,000 by way of commissions to agents which amount in the opinion of the committee could be entirely saved if a branch office were to be established in Madras.

The ultimate expenditure on the branch establishment would come to about Rs. 6,000 a year as per the schedule of estimate attached to this report and marked B.

FINDINGS.

The Committee after a careful consideration of all the facts laid before it during its investigation extending over a period of two mnths, presents the following recommendations to the Board:—

(1) That a branch office be opened in Madras in one of the buildings belonging to Nawab Salemahommed, situated at No. 25, Mount Road.

(2) That the estimated yearly expenditure of Rs. 6,000 would be more than compensated for by the saving of yearly commission paid to agents.

(3) That the sale would undoubtedly increase if such a branch were to be located in Madras.

(4) That if their recommendations are accepted, a branch should be opened without loss of time and preferably before the beginnig of the next season.

Bombay, 29th October, 1914.

A.
B.
C.
D.
Members of the Committee.

PRECEDENT OF A REPORT OF DIRECTORS OF A BANKING COMPANY.
THE EXCEL BANK OF INDIA, LIMITED.
FIFTY-THIRD REPORT.

To be submitted to the Shareholders at the ordinary general meeting to be held at Registered Office of the Bank, Kitab Mahal, Bombay, on Thursday, the 9th February, 1934, at 3 O'clock P.M. (S.T.).

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 1933.

The Directors beg to submit to the Shareholders the *Balance Sheet* and *Profit and Loss Account* for the year ended 31st December, 1933. The Auditors' Report is also ennexed.

The transactions of the past year, including the balance brought forward from the previous year Rs. 3,38,964-9-7 have resulted in a profit of.....	Rs.	15,74,864-3-1
An ad-interim dividend was paid for the half-year ended 30th June, 1933 at the rate of 10 per cent. per annum, which absorbed.....	„	5,00,000-0-0
Provision made for Income-Tax and Super-Tax for the year	„	1,00,000-0-0
Bonus to Staff	„	34,000-0-0

The Directors now propose:—

To pay a final dividend for the half-year ended 31st December, 1933, at the rate of 10 per cent. per annum, on the Paid-up Capital of 100 lacs, free of Income-Tax which will absorb.....	Rs.	5,00,000-0-0
To pay a special Bonus of 8 annas per share, *i.e.*, 1 per cent. per annum, free of Income-Tax to mark the completion of 25 years working.....	„	1,00,000-0-0
To carry forward to the next Account.....	„	3,40,864-3-1
Total.....	Rs.	15,74,864-3-1

It was the Board's intention to bring up the Reserve Fund to the amount of the Paid-up Capital and to declare a Bonus a year ago when the Bank completed 25 years working but owing to the then extraordinary depression in Government Securities consequent upon world wide economic and financial conditions, it was at that time necessary to set aside the sum of Rs. 7,50,000 to meet the short fall in the Bank's holding of gilt edged securities; in view of the marked improvement during the year under review in the prices of these securities, this provision is not longer necessary, the sum of Rs. 7,50,000 has therefore been transferred to the Reserve Fund.

A further sum of Rs. 50,000 being no longer required for Contingencies has been transferred from Reserve for Contingencies to the Reserve Fund.

The Reserve Fund therefore now stands at the round sum of Rs. 1,00,00,000.

The Bank's investments notwithstanding the removal of the sum of Rs. 7,50,000 referred to above are now held at a figure Rs. 3,98,30,359-5-6 which is substantially below the present market value.

The actual banking profit is abnormally low owing to the very poor demand for money for purposes of trade and general business.

The Average Official Bank Rate during the year was 5.021 per cent.

During the year under review, a branch of the Bank was opened at Rajkot, Kathiawar.

During the year Mr. A., at the invitation of the Directors accepted a seat on the Board; under Article 85, Mr. A now vacates his seat, and being eligible offers himself for re-election.

The Shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration.

F. Chairman.

G.)
B.)
H.)
C.) Directors. R. S., Ag. Chief Account. X. Y., Manager.
I.)
J.)
K.)
A.)

N.B.—The Dividend, when sanctioned, will be payable on and after Monday, the 20th February, 1934, to those Shareholders whose names stand on the Register on the 1st February, 1933.

Warrants for the amount of Dividend due will be posted to Shareholders at their Registered addresses.

Early intimation should be given to the Bank of any change of address.

PRECEDENT OF A REPORT OF DIRECTORS OF A COMPOSITE INSURANCE COMPANY.

THE INDIAN ASSURANE COMPANY, LIMITED.

REPORT BY THE DIRECTORS.

Submitted at the
FOURTEENTH ANNUAL MEETING OF THE COMPANY.
held at
Bombay, on Thursday, the 21st September, 1934.

The Directors have pleasure in submiting their Report, together with Audited Accounts and Balance Sheet, for the year ending 31st March, 1934.

FIRE DEPARTMENT.

The net premiums amounted to Rs. 44,38,472-7-4 showing an increase of Rs. 2,33,496-11-4 as compared with the previous year. The net claims, paid and outstanding, amounted to Rs. 23,56,706-14-4.

Commission, Expenses of Management and Foreign Taxes, etc., amounted to 42.9 per cent of the premium income, as against 42.3 per cent. for the previous year.

The Account shows a surplus of Rs. 2,29,678-2-1 out of which an amount of Rs. 1,04,678-2-1 has been transferred to Profit and Loss Account.

The Reserve for unexpired liability remains at 40 per cent. of the premium income for the year, and an amount of Rs. 3,25,000, inclusive of. the Reserve of Rs. 2,00,000, separately established the previous year, has been adedd to the Additional Reserve, now amounting to Rs. 17,65,000. The combined Reserves equal 79.8 per cent. of the premium income, as against a rato of 79 per cent. for the previous year.

MARINE DEPARTMENT.

The net premiums amounted to Rs. 20,71,334-9-6 showing a decrease of Rs. 2,12,730-2-0 as compared with the previous year, and the net claims, paid and outstanding, to Rs. 16,98,508-4-1.

Commission and Expenses of Management amounted to 16.1 per cnet. of the premium income as against 15.4 per cent. for the previous year. The Fund has been increased to Rs. 23,50,000 which equals 113.5 per cent. of the premium income, as against a ratio of 100.04 per cent. for the previous year.

An amount of Rs. 68,999-10-1 has been transferred to Profit and Loss Account.

ACCIDENT DEPARTMENT.

The net premiums amounted to Rs 5,18,496-10-2 showing a decrease of Rs. 76,128-13-6 as compared with the previous year, and the claims, paid and outstanding, to Rs. 2,57,746-6-2.

Commission and Expenses of Management amounted to 41.4 per cent. of the premium income, as against 38.5 per cent. for the previous year.

The Account shows a surplus of Rs. 94,781-0-3, out of which Rs. 44,781-0-3 has been transferred to Profit and Loss Account, and Rs. 50,000 added to the Additional Reserve.

The Reserve for unexpired liability remains at 40 per cent. of the premium income, and the Additional Reserve is Rs. 2,50,000. The Combined Reserves equal 88.2 per cent. of the premium income, as against a ratio of 73.6 per cent. for the previous year.

LIFE DEPARTMENT.

During the year under review 6,557 proposals were received for assurances amounting to Rs. 1,40,57,450. Of these, and a few others awaiting completion at the end of the previous year, 5,015 resulted in policies for Rs. 1,05,21,700, yielding an annual premium income of Rs. 5,79,959-12-0.

The total number of policies in force is 8,878 assuring a sum of Rs. 2,19,57,527-13-6 of which Rs. 19,72,000 is reassured.

Claims by death of 38 policyholders amounted to Rs. 1,26,000 after deduction of reassurances.

A proportion of expenses of management which may be taken at approximately Rs. 20,000 has not been debited to this Department, but it has borne expenses incurred directly on its own account.

PROFIT AND LOSS.

The approximate Interest earned by the Revenue Accounts has been credited to those Accounts. The remaining Interest, plus Transfer Fees amounts to Rs. 4,31,403-3-0. An amount of Rs. 1,04,678-2-1 has been transferred from Fire Account, Rs. 68,099-10-1 from Marine Account, and Rs. 44,781-0-3 from Accident Account.

After providing for all other outgo, bringing in the balance of last year amounting to Rs. 2,01,234-14-2, there remains a balance of Rs. 7,37,313-5-4, which the Directors recommend shall be dealt with as follows:—

Payment of a dividend at the rate of Rs. 1-2-0 per Share which will absorb an amount of Rs. 5,34,079-2-0, leaving Rs. 2,03,234-3-4 to be carried forward to next account.

SECURITIES.

Securties are valued in the Balance Sheets at cost price. At the close of the year under review the aggregate market value exceeded the book value.

GENERAL.

EXCHANGE.—Sterling is taken at 1|6d., and American Exchange at Rs. 275 to $100.

FUNDS.

The financial position of the Company stands as follows:—

Capital Paid up		Rs.	71,21,500-0-0
Fire Fund	Rs. 35,40,389-0-0		
Marine Fund	„ 23,50,000-0-0		
Accident Fund	„ 4,57,399-0-0		
Life Assurance Fund	„ 8,67,552,-15-8		
Profit & Loss A|c	„ 7,37,318-5-4		
Investment Reserve	„ 5,92,282-14-7		
Reserve for Exchange	„ 25,000-0-0		
		„	85,69,937-3-7
Total Funds		Rs.	1,56,90,992-3-7

As a result of the year's operations, the Total Funds are increased by Rs. 10,08,198-1-7.

The following Directors retire by rotation:—
A. and
B.
and being elgible offer themselves for re-electon.

Messrs. A. B. and Co., and Messrs. C. D. and Co., offer themselves for re-election as Auditors.

F. Chairman.
G.)
A.)
H.)
I.) Directors.
J.)
K.)
L.)

X. Y.
Sub-Manager.

Bombay, dated the 23rd August, 1934.

PRECEDENT OF A REPORT OF DIRECTORS OF ELECTRIC POWER SUPPLY COMPANY, LIMITED.

THE BOMBAY ELECTRIC POWER SUPPLY COMPANY, LIMITED.
DIRECTORS' REPORT FOR 1933-34.

To
THE SHAREHOLDERS,

Your Directors present herewith their Seventeenth Report with the Audited Statements of Accounts for the year ending 30th June, 1934

The Company's net profits for the year ending 30th June, 1934, after setting aside Rs. 9 lacks as General Depreciation on the Company's Works and Properties and allowing the usual percentage on Dam Depreciation Amortization Fund, amount to.....	Rs.	22,98,599-10-10
Which with the sum brought forward from the last year's accounts, namely..... ...	„	4,52,936-8-5
Makes a total of.....	Rs.	27,51,536-3-3

From this sum of Rs 27,51,536-3-3, your Directors have made the following appropriations:—

Paid ad-interim dividend on Preference Shares at 7 prcent. per annum, and on Ordinary at Rs. 30 per share free of Income Tax, for the half-year ended 31st December, 1932	Rs	6,51,210-0-0
Written off expenses re· 6 per cent (1941-45 Debenture loan of Rs. 1,25,00,000.....	„	22,234-12-9
Written off stores (for obsolescence and deterioration)	„	58,009-5-2
Written off Tools (for deterioration)	„	6,738-7-0
Set aside as Reserve for Bad and Doubtful Debts....	„	4,50,000-0-0
Set aside as Reserve for		

Special Repairs	„	2,10,000-7-5	
Set aside as Reserve for Discount and Exchange.....	„	2,426-1-1	14,00,628-1-5
Leaving available distribution.....			Rs. 13,50,908-1-10
Out of this sum your Directors recommend the following distributions:—			
(a) A Dividend on Preference Shares at 7 per cent. per annum for the half year ending 30th June, 1933, (Subject to deduction of Income Tax)	Rs.	1,72,620-0-0	
(b) A Final Dividend on Ordinary Shares at the rate of Rs. 45 per Share, free of Income-Tax	„	7,17,885-0-0	
(c) Bonus to theCompany's permanent Staff	Rs.	38,000-0-0	
			Rs. 9,28,505-0-0
After making these payments there will remain a balance of.....			Rs. 4,22,403-1-10
Which the Directors recommend be carried forward.			

GENERAL.

The Profit & Loss Account shows that the result of the years' operations, compared with that of the preceding year, was as follows:—

		1932-33.		1931-32.
Revenue from Power Sales....	Rs.	60,55,160-2-9	Rs.	62,60,687-8-8
Revenue from other sources..	„	42,484-4-4	„	15,649-3-0
Total gross revenue.....	Rs.	60,97,644-7-1	Rs.	62,46,336-11-8
All charges including debenture interest and Rs. 9,15,827 for depreciation	„	37,99,.044-12-3	„	40-01,079-14-7
Net Profit.....	Rs.	22,98,599-10-10	Rs.	22,45,256-13-1

The decrease in revenue from power sales is due to a reduction of more than 5 million units in electrcal energy sold.

The increase in revenue from other sources is due to a profit on the sale of Government Securities purchased during the year under report as temporary investments

Included in the charges for the year under report is an item of Rs. 1,19,688-6-10 being the amount of cash discount for prompt payment allowed from 1st February, 1933, to textile consumers on standard contract. In spite of this new charge, the total of all

charges shows a reduction of over Rs. 2,00,000, mainly due to a rduction in. interest on notes and debentures. There will be a further substantial reduction on this account during the current financial year.

During the year under report, your Company's new issue of 6 per cent. debentures (1941-45) of the nominal aggregate value of Rs. 1,25,00,000 which was referred to in the last Annual Report was successfully marketed and from the proceeds of these debentures, supplemented by the other resources of the Company, the 7½ per cent 10-year sterling notes of the nominal value of £1,000,000 and the balance of the 8 per cent 5-year loan notes which matured for re-payment during the year were paid off and retired.

In connection with the retirement of the sterling notes, your Directors are able to report a substantial profit on exchange account which was taken directly to Reserve for Discount and Exchange; and by the appropriation of only Rs. 2,426-1-1 from the profits of the current year, it has been possible to write off in full not only the amount of Rs. 14,25,000 standing in the preceding accounts as Discount and Commission re: Sterling Loan of £1,000,000, but also the discount of Rs. 6,25,000 on the new 5 per cent. Debenture loan of Rs. 125 lakhs.

An amount of Rs. 4,50,000 has been appropriated to Reserve for bad and doubtful debts and from that Reserve an amount of Rs. 5,00,000 has been written off during the year against probable losses in connection with the Surat Power Company's debenture redemption.

Your Directors are recommending the payment of a bonus to the permanent staff and request you to appropriate for that purpose an amount of Rs. 38,000 from this Company to be apportioned at the discretion of the Managing Agents to the joint individual staffs of the Hydro-Electric Companies in service at the end of the year under report.

With reference to the cementation of your main dam at Thakerwadi, your Directors beg to report that a good beginning has been made, the work is proceeding at a satisfactory rate, and it is hoped to complete the operation prior to the issue of the next annual report. Your Directors have set aside from the year's profits a sum of Rs. 2,10,009-7-5 towards the further prosecution of the work, a portion of which however is properly chargeable to Capital Account.

The current monsoon has been satisfactory and your storage reservoir is now full.

Your physical properties have been maintained in good order and the plant has given satisfactory service during the year.

A comparison of the sale of power and revenue from power sales for the last five years is given herewith:—

	Power Sold.		Revenue.
1928-29	114,001,399	Units.	Rs. 48,69,721
1929-30	136,588,111	„	„ 55,44,158
1930-31	133,803,354	„	„ 53,55,710
1931-32	160,000,000	„	„ 62,30,687
1932-33	154,390,758	„	„ 60,55,160

The following donations have been made by the Company:—
To the J. J. Hospital Nursing Association.....Rs. 100

To the Goculdas Tejpal Hospital Nursing Association „ 150
To the King Edward Memorial Hospital Nursing Association ..... „ 100

Mr. A. resigned his seat on the Board of Directors subsequent to the termination of the year under report.

In accordance with Article 117 of the Company's Articles of Association, two of your Directors, namely, Mr. B. and Mr. C. retire by rotation but are eligible for re-election.

You are requested to appoint Auditors for the current year and to fix their remuneration.

X. Y. Z.,
Chairman.

Bombay, 6th October, 1934.

APPENDIX A

(Continued)

FORMS AND PRECEDENTS

SECTION III

SPECIMEN OBJECTS CLAUSES

Assurance Companies.
Assurance Companies—(alternative clause).
Banking Companies.
Banking Companies—(alternative clause).
Cement Companies.
Cotton Mill Companies,
Cotton Mill Companies—(alternative clause).
Iron Companies.
Match Companies.
Steam Navigation Companies.
Sugar Mill Companies.
Thread Mill Companies.
Engineering Companies.
Stores Trading Companies.
Manufacture, Manures, Fertilisers.
Electric and Tramways Companies.
Paint and Colour Companies.
Bleaching and Dying Companies.
Manufactures and Dealers in Carpets etc.
Radio Clubs.
Airway Companies.
Cinema Picture Producers etc.
Motor Manufacturing Companies.
Mechanical Engineering Companies.
Managing Agents Companies.
Marine and Aerial Insurance Companies.
Mining Companies.
Newspapers, Printers, Stationers.

Note :—Forms already given in the text are not appended. A reference may be made for them in the Index.

SPECIMEN PRECEDENTS

AS TO SPECIFIC OBJECTS CLAUSES USED FOR THE DIFFERENT TYPE OF BUSINESS.

ASSURANCE COMPANIES.

(1) To carry on all kinds of insurance business, and all kinds of guarantee and indemnity business, and in particular, without prejudice to the generality of the foregoing words:—

(a) To carry on the business of life assurance in all its branches, and in particular to grant or effect assurances of all kinds for payment of money by way of single payment, or by several payments, or by way of immediate or deferred annuities or otherwise, upon the happening of all or any of the following events, namely, the death, or marriage, or birth, or survivorship, or failure of issue of or the attainment of a given age by any person or persons, or the expiration of any fixed or ascertainable period, or the occurrence of any contingency or event which would or might be taken to affect the interest, whether in possession, vested, contingent, expectant, prospective, or otherwise, of any person or persons in any property, or the loss or recovery of contractual or testamentary capacity in any person or persons.

(b) To carry on the business of marine and aerial insurance in all its branches, and in particular to make or effect insurance on ships, vessels, boats, craft and aeroplanes of all kinds, and on goods, merchandise, live or dead stock, luggage, effects, specie, bullion or other property, respondentia and bottomry interests, commissions, profits and freights.

(c) To carry on all kinds of transit insurance business.

(*d*) To carry on the business of accident insurance in all its branches.

(e) To carry on the business of fire insurance in all its branches, and to grant insurances against injury or damage to or loss of property directly or indirectly caused by or resulting from fire, storms, lightning, explosions, accident or otherwise.

(f) To establish different classes or clubs of insuring members upon the footing that the members of each class or club shall insure one another on the mutual principle and to manage and regulate such classes or clubs.

(g) To transact insurances to protect employers and principals against liability on account of injury, loss or damage, either sustained or caused by workmen, servants, employees or agents in their employment or acting on their behalf.

(h) To transact insurance to protect and indemnify principals or employers against loss or damage by the fraud, breach of trust or misconduct of their servants, agents or others acting on their behalf, and to guarantee and provide

security for the fidelity and good conduct of persons filling or about to fill offices or appointments and situations of trust or confidence and also to protect and relieve private sureties against loss arising to them from their liability as cautioners or guarantors for others.

(i) To transact insurances against claims upon the assured for injuries to the person and property of third parties caused by the assured or his property or by others for whom he is responsible.

(j) To transact insurances against loss of property by burglary or theft by housebreaking or larceny.

(k) To insure or give any guarantee in relation to any stock shares, debentures, debenture stock, bonds, obligations or securities issued by or having any guarantee of any company or institution or of any authority supreme, municipal, local or otherwise, or of any person or persons whomsoever, whether corporate or unincorporate.

(l) To insure or give any guarantee against calls and demand for contribution in respect of any liability incident to the ownership of any shares or stock in any company or undertaking.

(m) To insure or guarantee the holders of, or persons interested in, or proposing or intending to become holders of any shares, stock, or securities issued at a premium, or standing at a premium, against loss arising from redemption at par, depreciation or otherwise.

(n) To insure or guarantee the safety of securities and property of all kinds placed on deposit with the company or elsewhere, or entrusted to the company or other persons or companies for transmission, or otherwise howsoever.

(o) To insure and guarantee the due payment and performance of bills of exchange, promissory notes, debts, contracts and obligations of all kinds, on the *del credere* system or otherwise.

(p) To insure and grant, issue and effect policies and assurances in respect of horses, cattle, sheep, pigs and other live-stock against death, whether arising in the course of nature or caused by or the result of or arising from or out of disease or accident and against injury or depreciation in value by accident, or by fire, flood, inundation, lighting, or tempest.

(q) To insure and grant, issue and effect insurances upon and in respect of crops, whether growing or severed, against loss, destruction, or injury by fire, flood, or inundation, or in any other manner.

(2) To acquire or extinguish or otherwise deal with any insurance made with the company.

(3) To grant, purchase, or sell endowments and annuities either for lives or for years, or on survivorships, and either immediate, deferred, determinable, contingent, or reversionary, and to purchase, invest in, and sell life, reversionary.

AN ALTERNATIVE FORM OF OBJECTS CLAUSES OF ALL TYPES OF INSURANCE.

The objects for which the company is established are (and it is expressly declared that the several sub-clauses of this clause and all the powers thereof are to be cumulative and in no case is the generality of any one sub-clause to be narrowed or restricted by any particularity of any other sub-clause, nor is any general expression in any sub-clause to be narrowed or restricted by any particularity of expression in the same sub-clause or by the application of any rule of construction *ejusdem generis* or otherwise):—

(1) To carry on in India and elsewhere, all kinds of insurance business, all kinds of guarantee and indemnity business and in particular to carry on all kinds of life (in all its branches), fire, lightning, explosion, earthquake, hail, marine, transit, accident, employers liability, workmen's compensation, disease, sickness, survivorship, failure of issue, burglary, robbery, theft, fidelity, motor car, stock glass, third party risks and every kind of guarantee and indemnity business and counter-guarantee and counter-indemnity business and generally every kind of incurance and reinsurance business whether now known or hereafter to be devised.

(2) To grant policies or enter into contracts for or in respect of the matters aforesaid on such terms and conditions as may be arranged and if deemed expedient to contract thereby for the payment or provision of money or moneys worth either by way of liquidation damages or agreed compensation.

(3) To grant annuities of all kinds, whether dependent on human life or otherwise, and whether perpetual or terminable, and whether immediate or deferred, and whether contingent or otherwise.

(4) To contract with leaseholders, borrowers, lenders, annuitants, and others for the establishment, accumulation, provision, and payment of sinking funds, redemption funds, depreciation funds, renewal funds, endowment funds, and any other special funds, and that either in consideration of a lump sum, or of an annual premium, or otherwise, and generally on such terms and conditions as may be arranged.

(5) To accumulate capital for any of the purposes of the company and to appropriate any of the company's assets to specific purposes, either conditionally or unconditionally, and to admit any class or section of those who insure or have any dealings with the company to any share in the profits thereof or in the profits of any particular branch of the company's business, or to any other special rights, privileges, advantages, or benefits.

(6) To purchase and deal in and lend on life, reversionary, and other interests in property of all kinds, whether absolute or contingent, or expectant, and whether determinable or not; and to acquire, lend money on, redeem, cancel, or extinguish by purchase, surrender, or otherwise, and policy, security, grant or contract issued, made, or taken over or entered into the Company.

(7) To re-insure or counter-re-insure all or any risks and to undertake all kinds of re-insurance and counter-re-insurance connected with any of the business aforesaid.

(8) To pay, satisfy or compromise any claims made against the company in respect of any policies or contracts granted by, dealt in, or entered into by the Company or otherwise which claims it may be deemed expedient to pay, satisfy or compromise notwithstanding that the same may not be valid in law.

(9) Generally to carry on all matters of business which now are, or may come to be, connected with any of the above classes of insurance in any of the various branches thereof or which may be transacted by companies carrying on the insurance business of life (in all its branches), fire, lightning, explosion, earthquake, hail, marine, transit, accident, employers liability, workmen's compensation, disease, sickness, survivorship, failure of issue, burglary, robbery, theft, fidelity, transit, motor car, live stock, glass, third party risks and every kind of guarantee and indemnity business and counter-guarantee and counter-indemnity business.

(10) To lend money, either with or without security, and generally to such persons and upon such terms and conditions as the company may think fit.

AN ALTERNATIVE FORM OF OBJECTS CLAUSE TO CARRY ON ALL TYPES OF INSURANCE BUSINESS INCLUDING THAT OF PROVIDENT INSURANCE.

(1) To carry on all kinds of insurance business and all kinds of guarantee and indemnity business and in particular without prejudice to the generality of the foregoing words:—

(a) To carry on all or any class of business to which the Provident Insurance Societies Act, 1912 and the rules from time to time made there-under apply and in particular the "Ordinary Life Insurance Business", as defined by the said Rules.

(b) To carry on the business of Life Insurance in all its branches and in particular to grant or effect assurances of all kinds for payment of money by way of single payment, or by several payments, or by immediate or deferred annuities or otherwise upon the happenings of all or any of the following events, namely, the death or marriage, or birth or survivorship or failure of issue of or the attainment of a given age by any person or persons or the expiration of any fixed or ascertainable period or the occurrence of any contingency or event which would or might be taken to affect the interest whether in possession vested, contingent, expectant, prospective or otherwise of any person or persons in any property or the loss or recovery of contractual or testamentary capacity in any person or persons.

(c) To carry on the business of marine and aerial insurance in all its branches and in particular to make or effect insurance on ships, vessels, boats, craft and aeroplanes of all kinds and on goods merchandise live or dead stock luggage effects specie bullion or other property respondentia and bottomry interests, commissions, profits and freights.

(d) To carry on all kinds of transit insurance business.

(e) To carry on the business of accident insurance in all its branches.

(f) To carry on the business of fire insurance in all its branches and to grant insurance against injury or damages to or loss of property directly or indirectly caused by or resulting from fire storms lightning explosions accident or otherwise.

(2) To acquire or extinguish or otherwise deal with any insurance made with the company.

(3) To grant purchase or sell endowments and annuities either for lives or for years or on survivorships and either immediate deferred, determinable contingent or reversionary and to purchase invest in and sell life reversionary and other estates interests and securities whether in real or personal property, and generally to undertake and transact all matters and business which may be in any way connected with or depend in contingencies.

(4) To re-insure or counter-insure any of the risks undertaken by the company.

(5) To effect as agents for others assurances of every kind and against every and any contingency.

(6) To create and set aside out of the capital or revenue of the company a special fund or special funds, and to give to any class of its policy-holders, annuitants or creditors, any preferential right over any fund or funds so created, and for such or any other purposes of the company to place any portion of the company's property in the names or under the control of trustees, and to give any class of insurers a right to participate in the profits of the company or any branch of its business.

(7) To purchase and deal in and lend on life reversionary and other interests in property of all kinds whether absolute or contingent money on, redeem, cancel or extinguish by purchase, surrender or or expectant and whether determinable or not, and to acquire, lend otherwise, any policy, security, grant, or contract issued, made, or taken over or entered into by the company.

OBJECTS CLAUSES OF BANKING COMPANIES.

(a) To establish and carry on the business of a Bank whereof the Head Office or place of business shall be in Bombay with such Branches or Agencies as may from time to time be determined.

(b) To carry on the business of banking in all its branches and departments including the borrowing, raising or taking up money; the lending or advancing money, on moveable and immoveable and mixed securities, on cash credit or other accounts, on policies, bonds, debentures, bills of exchange, hoondees, promissory notes, letters of credit or other obligations, on the deposit of title deeds, goods, wares and merchandise, bills of landing, delivery orders, railway receipts or other mercantile indicia, bullion, stocks or shares; the discounting, buying, selling and dealing in bills of exchange, hoondees, poorjas, promissory notes, coupons, drafts, bills of landing, railway receipts, warrants debentures, certificates, scripts and other instruments and securities whether transferable or negotiable or not; the granting and issuing letters of credit and circular notes; the buying, selling and dealing in bullion and specie; the acquiring, holding, issuing on commission, underwriting and dealing in stocks, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; the negotiating of loans and advances; the receiving money and valuables on deposit or for safe

custody or otherwise; the collecting and transmitting money and securities; the managing of property and transacting all kinds of agency business commonly transacted by Bankers.

(c) To act as Agents for Governments or authorities or for any Bankers, manufacturers, merchants, shippers and others and to carry on agency business of any description including the power to act as attorneys and to give discharges and receipts.

(d) To promote or finance or to assist in promoting or financing any business undertakings and industries of any description either existing or new and to develop and form the same either through the instrumentality of syndicates or otherwise.

(e) To form, promote, subsidize and assist companies, syndicates and partnerships of all kinds.

(f) To contract for public or private loans and to negotiate and issue the same.

(g) To promote, effect, insure, guarantee, underwite, participate in managing and carrying out 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 to lend money for the purposes of any such issue.

(h) To carry on and transact eveary kind of guarantee and indemnity business and to undertake obligations of every kind and description and also to undertake and execute trusts of all kinds.

(i) To carry on and undertake any business transaction or operation commonly carried on or undertaken by promoters of Companies financiers, concessionaires or capitalists.

(j) To acquire and undertake the whole or any part of the banking and discount business of any person or Company carrying on any business which this Bank is authorised to carry on

(k) Generally to purchase, take on lease or in exchange, hire or otherwise acquire any immoveable or moveable property and any rights or privileges which the Bank may think necessary or convenient with reference to any of the objects for which the Bank is established or the acquisition of which may seem calculated to facilitate the realisation of any securities held by the Bank or to prevent or diminish any apprehended loss or liability.

AN ALTERNATIVE FORM OF OBJECTS CLAUSES FOR A BANK.

The Objects for which the Company is established are:—

(1) To establish and carry on the business of a Bank, whereof the Head Office or place of business shall be in London, with such branches or agencies at home and abroad, and in particular in India, Ceylon and Burmah, as may from time to time be determined.

(2) To carry on the business of banking in all its branches and departments, including the borrowing, raising or taking up money, the lending or advancing money on securities and property, the discounting, buying, selling and dealing in bills of exchange,

promissiory notes, coupons, drafts, bills of lading, warrants, debentures, certificates, scrip and other instruments and securities, whether transferable or negotiable or not, the granting and issuing of letters of credit and circular notes, the buying, selling and dealing in bullion and specie, the acquiring, holding, issuing on commission. undrwritting and dealing with stocks, funds, shares, debentures. debenture stock, bonds, obligations and other securities.

CEMENT COMPANIES.

To carry on all or any of the business of manufacturers of and dealers in cements, limes, plasters, and artificial stone, and materials of very kind used in the manufacture thereof, whiting, sacks, bricks, tiles, building materials of all kinds, and coke, colliery proprietors, engineers, coopers, machinists, shipowners, bargeowners, truckowners, quarryowners, builders, contractors, and carriers by land or water.

COTTON MILLS.

OBJECTS AGREEMENT TO ACQUIRE RUNNING BUSINESS

(1) To acquire and take over as a going concern the undertaking and all or any of the assets and liabilities of the A.B.C. Mills, Limited, and with a view thereto, to enter into the Agreement referred to in clause....of the Company's Articles of Association and to carry the same in to effect with or without modification.

(2) To carry on all or any of the business following: namely, cotton spinners and doublers, flax, hemp, and jute spinners linen manufacturers, flax, hemp, jute, and wool merchants, wool combers, worsted spinners, woolen spinners, yarn merchants, worsted stiff mercers, silk weavers, hosiers, bleachers and dyers, and makers of vitriol, bleaching, and dyeing materials, and to purchase, comb, prepare, spin, dye, and deal in flax, hemp, jute, wool, cotton, silk, and other fibrous substances and to weave or otherwise manufacture, buy and sell and deal in linen, cloth, and other goods and fabrics whether textile, felted, netted, or looped, and to supply power.

OTHER SPECIMEN OF COTTON MILLS OBJECTS CLAUSE

(1) To carry on all or any of the business following:—cotton spinners and doublers; wool, silk, flax, jute, and hemp spinners and doublers; linen manufacturers, cotton flax, hemp jute and wool merchants, wool combers, worsted spinners woollen spinners, yarn merchants, worsted stuff manufacturers, bleachers and dyers and makers of vitriol, bleaching and dyeing materials; and to purchase, sell, comb, prepare, spin, dye, and deal in flax, hemp, jute, wool cotton, silk, and other fibrous substances; and to weave or otherwise manufacture, buy and sell deal in linen, cloth and other goods and fabrics whether textile, felted netted or looped, and to supply power.

(2) To deal in and also to work spinning and weaving mills, cotton mills, jute mills, and mills of any other description and for any other purpose and to maintain, erect and work ginning factories, foundries and manufacturers of every kind of goods and merchandise, and to erect, maintain and work presses for pressing merchandise into bales. To erect warehouses, tanks, chawls, or other buildings and to erect such machinery, engines, apparatus, and works thereon as may be necessary for the purposes of the Company and to sell or mortgaged all or any portion of the same as may be thought desirable.

(3) To buy, contract for, sell or send for sale in the whole world raw cotton, waste, droppings, fly, silk, wool, jute, hemp and other fibrous articles; to deal in all materials and things necessary or useful for dyeing printing and bleaching purposes and generally to deal in all or any of the fabrics, articles, and things, and to do all these either on cash or on credit and for ready or future delivery.

(4) To gin kapas, and to spin, weave, manufacture, dye, print, and bleach raw cotton, waste, droppings, fly, silk, wool, jute, hemp, and other fibrous articles, and to prepare, yarn, cloth, bleached or unbleached, and other fabrics and things of what nature or kind so ever.

(5) To extend the business of the company by purchasing, acquiring, getting transferred, or leasing any spinning or weaving mill or any other manufactory either private or belonging to joint stock companies for the time being, situate in Ahmedabad or elsewhere in the world, and the property, business and goodwill appertaining thereto respectively.

IRON COMPANIES.

(a) To carry on in India and elsewhere the trades or business of ironmasters, steel makers, steel converters, manufactures of ferro-manganese, colliery-proprietors, coke manufacturers miners, smelters, engineers, tin plate makers and ironfounders, in all their respective branches.

(b) To search for, get, work, raise, make merchantable, sell or deal in iron, coal, ironstone, limestone, manganese, ferro-maganese, magnesite, clay, fire-clay, brick earth, bricks and other metals, minerals and substances, and to manufacture and sell briquettes and other fuel, and generally to undertake and carry on any business, transaction or operation commonly undertaken or carried on by explorers, prospectors or concessionaries, and to search for, win, work, get, calcine, reduce, amalgamate, dress, refine and prepare for the market any quartz and ore and mineral substances, and to buy, sell, manufacture and deal in minerals and mineral products, plant and machinery, and other things capable of being used in connection with mining or metallurgical operations or required by the workmen and others employed by the Company.

DEALERS IN MOTOR, CYCLE ETC.

To carry on the business of Dealers in, Importers, Exporters Assemblers, Factors, Builders, Letters to Hire, Repairers, Cleaners, Stores and Warehousers of Automobiles Motor Cars, Motor Unicycles, Motor Bicycles, Motor Tricycles, Motor Qaudricycles, Auto Wheels, Motor Lorries, Omnibuses, Char-a-bancs, Bicycles, Unicycles, Tricycles, Quadricycles, Scooters Velocipedes, Carriages and Vehicles of all kinds whether mechanically propelled by Steam, Oil, Gas, Petrol, Electricity or otherwise or not and Machinery, Implements, Appliances, Lubricants, Cements, Solutions, Tyres, Glasses, Leathers, Cloths, Carpets, Upholstery Materials, Steel, Aluminium, Iron and other Metals and all things necessary to the said Company's business or required in the construction of any track or surface adopted for

the use of vehicles and machines dealt in by the said Compainy.

MATCH COMPANIES.

(a) To carry on in India or elsewhere the business of manufacturers of and dealers, whether wholesale or retail, in all kinds and descriptions of matches or matchlights or other lighting appliances or apparatus whether composed or made in part or in whole of or from any combustible or noncombustible substance material or thing whatsoever.

(b) To buy, sell, import, export, manipulate, treat, manufacture and deal in all kinds and descriptions of machinery, plant, implements, tools and property and all chemical, industrial and other preparations and articls and all other substances apparatus, materials and things capable of being used in any such business as aforesaid or require by any customers of or any persons having dealings with the Company either by wholesale or retail, and generally to carry on any other business or businesses whatsoever which may seem to the Company or the Company may consider capable of being carried on in connction with the above or calculated directly or indirectly to enhance or render profitable any of the Company's property or rights.

STEAM NAVIGATION COMPANIES.
TAKING OVER A RUNNING BUSINESS.

(a) To purchase and acquire as a going concern from A.B.C. the present sole proprietor thereof, the business and property and the fleet of steamships, vessels, craft and boats of "D.E.S.N. Company" which comprises the business formerly carried on in Bombay and elsewhere under the name of "F. and Company" and the goodwill stock in trade, moveable and immoveable properties, offices and workshops, plant and effects relating to such business, and, with a view thereto, to enter into a certain agreement in the terms of the agreement, a form whereof is subjoined by way of Schedule A to the Articles of Association, and to carry the same into effect with or without modification; and to adopt, become bound by and carry into effect, the agreements mentiond in Schedules C and D to the said Agrement, and to carry on such business upon such terms and in such manner in all respects as the Directors shall think fit.

(b) To acquire by purchase, building, exchange, chartering, hiring or otherwise steamships and other vessels or craft of every description with all equipments and furniture, and any pending contracts for construction of the same, and any shares or share of or other interest in any steamships, vessels or craft or in their insurance, freights and engagements and also shares, stocks and securities of any Companies possessed of or interested in any ships or vessels.

(c) To carry on all or any of the businesses of owners of

ships and vessels and of charterrs or hirers of ships and vessels in all their branches at Bombay and elsewhere, and also to carry on any other business connected with the said Company or which may for the time being be expedient to be carried on therewith, or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights, and to do all things incidental or conducive to the carrying on of such business.

SUGAR MILLS.

(1) To purchase, manufacture, produce, refine, prepare, import, export, sell and generally to deal in sugar, sugar beets, sugar cane, molases, syrups and melada and alcohol and all products or by-products thereof and roof product generally and in connection therewith to acquire, construct and operate sugar or other refineries, buildings, mills, factories, distilleries and other works. To plant, cultivate, produce and raise or purchase sugar cane, maize, sugar beets and other crops and to transact such other work or business as may be proper or necessary in connction with the above objects or any of them.

(2) To develop the resources of or turn to account any lands and any rights over to or connected with land belonging to or in which the Company is interested, in particular by cleaning, draining, fencing, planting, cultivating, building, improving, farming, irrigating, grazing, and by promoting immigration and emigration and the establishment of villages and settlements.

THREAD MILLS

(a) To acquire and take over as going concerns and amalagamate the business of Thread and Sewing Cotton Manufacturers at peresent carried on in the City of Bombay by the A. Thread Company, Limited, B.C.D. trading as the F. Thread Mills Company, the G. H. Cotton Manufacturing Company, Limited and the I. J. Thread Company Limited and with a view thereto to enter into agreements with the said A. Thread Company Limited and its liquidator, and the said B.C.D., the G. H Cotton Manufacturing Company, Limited and the I. J. Thread Company, Limited in the terms of the four drafts which have already been prepared and subscribed for identification by Mr. S. R. T., Solicitor, and to carry the said agreements into effect with or without modification.

(b) To carry on either in connection with the businesses aforesaid or as distinct and separate businesses all or any of the businesses following, namely:—Thread and sewing cotton manufacturers, cotton spinners and doublers, flax, hemp and jute spinners, linen manufacturers, flax, hemp, jute and wool merchants, wool combers, worsted spinners, woollen spinners, yarn merchants, worsted staff manufacturers, bleachers and dyers and makers of vitriol bleaching and dyeing materials, and to purchase, comb, prepare, spin, dye and deal in flax, hemp, jute, wool,

cotton, silk and other fibrous substances and to weave or otherwise manufacture, buy and sell, and deal in linen, cloth, and other goods and fabric whether textile, frebles, netted or looped, to make, dye, and polish bobbins, and to sell the same wholesale or retail, and to do all things necessary in connection therewith, to carry on the business of winding or balling cotton or thread or other fibrous substances on to bobbins, to design, make and print tickets wrappers or other printed matter for use in any of the above trades, and to supply power.

(c) To carry on the business of manufacturers of and wholesale and retail dealers in all kinds of cotton, canvas, linen, leather and rubber goods, and the businesses of general agents and general warehousemen.

GENERAL ENGINEERING COMPANIES.

The objects for which the company is established are:—

(a) To carry on in any part of the world all or any of the businesses of mechanical engineers, and manufacturers, and manufacturers of all kinds of implements and machinery, tool makers, brass founders, metal workers, machinists, iron and steel workers, smiths, metallurgists, chemists, chemical manufacturers, distillers, electric engineers, producers of electric light or power, water supply engineers, gas makers, gas vendors and gas suppliers, timber merchants, general merchants: and contractors and to buy, sell, manufacture, repair, convert, alter, let on hire, and deal in minerals, metals, machinery implements, rolling stock, hardware, and chemicals of all kinds; and to carry on any other business (manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with any of the businesses above specified, or otherwise calculated directly or indirectly to enhance the value of any of the Company's property and rights for the time being.

(b) To undertake and execute any contracts for works involving the supply, application, or use of any machinery chemicals, chemical products or processes and to carry out any ancillary or other works comprised in such contracts

(c) To purchase or otherwise acquire any interests in any inventions, processes, letters patent, brevets, d'invention licences, concessions, rights, and privileges, subject to royalty or otherwise and whether exclusive or non-exclusive or limited, whether in India or in any other part of the world.

(d) To exercise, develop, grant licences in respect of, sell, let, or otherwise turn to account any inventions, processes, letters patent, brevets d'invention, licences, concessions, rights or privileges belonging to the company or which it may acquire, or any interest in the same; to apply for, take out, and register any patent or patents for any invention or inventions, or obtain exclusive or other privileges in respect of the same in any part of

the world; and to manufacture and produce and trade and deal in all machinery, plant articles, appliances and things capable of being manufactured, produced or traded in by virtue of or in connection with any such inventions processes, letters patent, brevets d'inventions, licences, concessions, rights or privileges as aforesaid.

STORES AND TRADING COMPANIES.

The objects of the company are:—

(a) To carry on the business of a store keeper, in all its branches and in particular to buy, sell, manufacture and deal, in India and elsewhere, in goods, stores cotton, silk, and woollen and all other kinds of cloth, gold, diamonds, jewels, pearls, cotton, ghee, corn, kerosine, cutlery, haberdashery, motors and hardwares, sweet oil, motor accessories, motor spirit, crude oil, umbrellas and silk barks, Nagpore sarees and dhotees, gold, silver and ornaments, pots and utensils of them and other metals, such as brass sheets, copper, zinc, alluminum, iron plates, glass articles and glass plates, consumable articles, chattels and effects of all kinds both wholesale and retail and to transact every kind of agency business, and generally to engage in any business or transaction which may seem to the company directly or indirectly conducive to the interests or convenience of the Company's members, ticket holders or their friends or any section thereof.

(b) To start power loom factory and hosiery factory and

(c) To purchase, sell, import, export machinery, cotton, wool, yarn, silk, cloths of all kinds, coal, hides necessary for the manufacture of all kinds of leather, woollen and cotton cloth to export linseed, cotton seed, cotton seed oil, linseed oil, cotton seed cakes and linseed cakes and myrabolum and import agricultural implements and manures. seed and agricultural machinery and sugar.

(d) To make arrangements with persons engaged in any trade business or profession, for the concession to the company's members, ticket holders and their friends of any special rights, privileges and advantages and in particular in regard to the supply of goods.

BUSINESS OF MANUFACTURERS AND DEALERS IN MANURES, FERTILIZERS, ETC.

The objects for which the company is established are:—

(a) To carry on the business of manufacturers of and dealers in manures, fertilizers, phosphates, guanos of all descriptions, horns, hoofs, bones, blood and all other animal products or by-products, grease, fat, tallow, chemicals, oils, grain, seeds, beans, potash, salts and acids of all descriptions, ammonia compounds, liquid ammonia, acetone, acetate of lime, acetic acid salts, and general merchandise, and to refine, manipulate and deal in the raw materials used in such manufactures and the products and by-products thereof.

(b) To hire or purchase lands, wharves, lighters and vessels

of every description, and also deal in horses, vans, motor cars and all motor accessories.

(c) To purchase or otherwise acquire options over, and to sell, dispose of and deal with farms, lands, town sites, and with mines and mining rights, and properties supposed to contain phosphate rock, minerals and quartz of any kind, or any undertaking connected therewith, and to work, develop, exercise and turn to account the same.

ELECTRIC AND TRAMWAYS COMPANIES.

The objects for which the company is established are:—

(a) To carry on the business of tramway, railway, omnibus and van proprietors, and carriers of passengers and goods, and of manufacturers of and dealers in tramways, carriages, trucks, locomotives, accumulators, dynamos and other chattels and effects and conveniences required for making, maintaining, equipping and working tramways or light railways.

(b) To carry on the business of electrical engineers, engineers, electricians, engineers and contractors, manufacturers of electrical apparatus, and mechanical and chemical engineers, and of generating, producing and supplying light heat, sound and power by electricity, galvanism, magnetism or otherwise, suppliers of electricity whether for the purpose of light, heat, motive power, telephonic, telegraphic, industrial or other purposes, and generally to provide, work, maintain, and carry out all necessary cables, wires, accumulators, lamps, exchanges, telephones, and apparatus connected with the generation and distribution, supplying, accumulation and employment of electricity.

(d) To construct, purchase, lease or otherwise acquire any *tramway or tramways or railways in India.*

(d) To equip and to maintain and work by electricity, steam, petrol or other mechanical power, or by animal power, all tramways or railways belonging to the company or in which the company may be interested.

PAINT AND COLOUR COMPANIES.

The objects for which the company is established are:—

To carry on all or any of the business of oil and colour merchants, importers and exporters as well as manufacturers of oil, colours, paints, varnishes, gold leaf enamels and enamels of all descriptions, powers, spirits and all articles connected therewith and necessary for the purpose of the said business and factory.

BLEACHING AND DYEING COMPANIES.

The objects for which the company is established are:—

To dye, print or bleach yarns, cloths, silks, woollens and other goods and fabrics whether of the company or for customers; and to manufacture drugs, soap, perfumery and prepare all or any of the articles mentioned in the preceding clause.

MANUFACTURERS AND DEALERS IN CARPETS, ETC.

To carry on at such places in British India or elsewhere as may be determined by the directors of the company, all or any of the business following, that is to say, the business of manufacturers and spinners and dealers in carpets, printed and embroidered cotton, and woollen goods, yarns, threads and other fabrics, mattings, minerals, timber, jewels, dyestuffs, spices, materials for medical production, clothing, corn, fruits, curios, metal works, ivory and wood works and of all appliances incidental to the manufacture, purchase, or sale of all or any of the things before referred to, and to deal as merchants in all or any such things, and generally to carry on the said businesses in all their branches, or any businesses of a character similar or analogous to the foregoing, or any other business or any other works or manufactures which may seem to the company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the company or further any of its objects. To buy, sell, import, export, manipulate, prepare for market and deal in merchandise of all kinds and generally to carry on business as merchants exporters and importers.

RADIO CLUBS.

The objects for which the club is established are:—

(a) To provide an institution whose primary aim is to stimulate interest in and to foster the study of radio communication and allied arts.

(b) To provide facilities within its power to *bona fide* experimenters to carry on practical experimental work by affording technical advice and the use of apparatus, etc

(c) To afford to its members all the usual advantages, conveniences and accommodation of a first class club, and to maintain a library for its members.

(d) To buy, repair, make, supply, sell and deal in all kinds of apparatus and appliances used in connection with radio and sports, and to buy and sell all kinds of provisions and refreshment required by the members of the club and other persons for the time being entitled to use the club buildings and premises of the club.

(e) To promote or hold either alone or jointly with any other association, club or person, sports meetings, competitions and matches and to offer, give and contribute towards prizes, medals and awards and to promote or give support dinners, balls, concerts, and other entertainments.

AIRWAY COMPANIES.

(1) To purchase, sell, charter, equip, manage, repair, build or otherwise acquire aeroplanes, seaplanes, air-vessels, monoplanes and air-craft of all kinds whatsoever or any share or shares therein with all equipments and furniture and to employ the same in aerial advertisement propaganda, aerial survey and in the conveyance of passengers, mails, troops, munitions of war, livestock, meat, corn and other products and of treasure, merchandise of all kinds between place or places or landing stages or other con-

venient places in any part of India as may seem expedient and to do or render assistance and services of all and every kind of any description and to acquire any postal or other subsidies.

(2) To build aeroplanes, seaplanes, air-vessels, monoplanes and air-crafts of all kinds or other similar crafts worked by oil or any other substance and to repair the same and their machinery, appurtenances, apparel and furniture including the alterations or construction of passenger accommodation, cabins and internal fittings and arrangements of whatsoever kind or description as the company may think fit.

(3) To purchase, hire, or construct and maintain anchorages, aerodromes, landing stages of every description and raised stages, buildings and warehouses in connection therewith in any part of India and to charge and levy tolls and fees in respect thereof, let to hire or make any use whatsoever of the same respectively.

(4) To procure this company to be registered or recognised in the United Kingdom, in any Colony of Foreign State or Foreign countries.

CINEMA PICTURES, PRODUCERS, MANUFACTURERS, AND EXHIBITORS.

To carry on the business of manufacturers, producers, exhibitors and distributors of cinematographic films and pictures.

(b) To carry on the business of proprietors of film-producing studios, cinematograph, theatres, palaces, and halls—, for cinematographic shows and exhibitions, theatres, and music halls, and in particular to provide for the production, representation, performance and exhibition of cinematograph or stereoscopic or coloured or bioscope pictures, films, operetta, stage plays, burlesques, vaudevilles, ballets, pantomimes, spectacular pieces, and other musical dramatic and variety acts, displays, shows, performance and entertainments including athletic, sporting, jugglering, and conjuring displays, and to permit the company's premises to be used for the above purposes or for such other purpose as may be deemed expedient.

(c) To carry on the business of film producing in all its branches, and as makers and manufacturers of and dealers in film stock or base, bioscopes, cinematograph machines, cameras printers and perforators and films, and to acquire all or any rights in connection with the films or records and to rent or let on hire any such cinematographic films, records, cameras, machines, or bioscopes or any part of the goods and effects of the company.

(d) To carry on business as manufacturers, producers, exhibitors, purchasers or sellers, and distributors of and dealers in cinematographic films, moving or talking pictures and shows, photographs, gramophones, phonographs, acoustic or sound-producing films, wireless apparatus, photographic appliances, and apparatuses, mounts, frames, materials, chemicals, stained and other glass, lenses, optical, scientific, musical and other instruments, photographic and

other stationery, accessories, and articles used or required in connection with the aforesaid businesses.

(e) To erect, purchase by contract or otherwise acquire and maintain the necessary studio or studios, laboratory or laboratories, theatres, picture houses for the purposes of the company, and to buy, take on hire, and otherwise acquire all necessary machinery, cameras, instruments, apparatuses, chemical, and other necessary materials for setting, dressing, decorations, ornaments, furniture and other articles and things as may be neccessary in connection with the business of the company.

(f) To carry on the business of restaurant keepers, wine and spirit merchants, licensed victuallers, confectioners, refreshment and tea room proprietors, caterers,' and contractors, tobacconists, billiard, concert, dancing, and assembly room proprietors and lessees.

(g) To acquire by purchase, contract or otherwise sole proprietary rights in cinematographic films and pictures together with the negative and positive prints thereof and with their copyright and sole distributing and renting rights for specific area or areas and permanently or for specified period or periods, and all other rights in cinematographic film, or films complete or incomplete, manufactured and produced by, belonging to, or in the possession of others.

(h) To sell or give by special contracts or otherwise to other person or persons, firm or firms, company or companies, together with the negative, copyright, negative and positive prints, sole distributing and renting rights for specific area or areas or permanently or for specific period or periods and exhibiting rights for certain theatre or theatres, area or areas or any other right in films manufactured or produced by or belonging to and in the possession of the company.

(i) To enter into agreements with authors, scenario writers, and other persons for the dramatic or other rights including the right of cinematograph representation and exhibition of their stage plays, compositions, performances and entertainments in part of the world.

(j) To enter into agreements with and employ such cinematograph operators, engineers, electricians, technicians, musicians, dancers, athletes, jugglers, painters, carpenters, actors, actresses, cameramen and other public entertainers and other persons having special knowledge of trading in matters relating to the business of the company, as may be necessary or expedient for conducting the business of the company.

MOTOR MANUFACTURERS COMPANIES.

"To carry on the business of manufacturers, importers, exporters and retail dealers in, traction engines, road and other rollers, motor wogons, motor lorries, motor cars, motor cabs, motor cycles, scooters, cycles, bicycles, tricycles, velocipedes, aeroplanes, airships, waterplanes, submarines, balloons, parachutee and carriages and vehicles and con-

veyances of all kinds, whether for use on land or water or under water, or in the air, and whether moved by mechanical power or not, engines, tyres, bodies, chasses, and carburettors, magnetos, silencers, sparking plugs, paraffin vaporisers, self-starters, gears, wheels, parts and accessories and of all articles and things used in the manufacture, maintenance and working thereof or in connection therewith in any way whatsoever, and also all apparatus, implements, and things for use in any sport or game.

MECHANICAL ENGINEERING COMPANIES.

(a) To carry on the business of mechanical engineers, machinists, manufacturers of agricultural implements and of every other kind of machinery whether used for the purpose of agriculture or for any other purpose whatsoever, and of locomotives and engines of every description whatsoever and all or any part thereof or accessories thereto, iron-founders, brass founders, founders of all metals and metal compounds whatsoever, whether ferrous or non-ferrous, metal workers, welders by any process whatsoever of ferrous and non-ferrous metals and metal compounds, manufacturers of welding appliances and of all or any parts thereof or accessories thereto, boiler makers millwrights, wire drawers, tube makers, iron and steel converters, smiths, wheelwrights, wood workers, metallurgists, saddlers, galvanizers japanners, annealers, enamellers, electroplaters, silverplaters. nickelplaters, varnishers, vulcanizers, water supply and hydraulic engineers, marine engineers, civil engineers, consulting engineers, textile engineers, mining engineers, agricultural engineers, aeronautical engineers, aviation engineers and engineers in all branches of work whatsoever known to engineering, painters and packing case makers, and manufacturers of all other instruments used in or in connection with any of the above businesses, and of motors, machinery and mechanical and scientific appliances apparatus and devices of every description whatsoever, rolling stock, timber, goods, iron, steel and other metal implements, tools, utensils and conveniences of every kind.

(b) To carry on the business of electrical and motor engineers and contractors, suppliers of electricity, carriers of passengers and goods, manufacturers of and dealers in rail and tramway apparatus and requirements and telegraphic and wireless apparatus and requirements, dynamos, motors, accumulators and all kinds of electrical machines, appliances and devices whatsoever, and all or any parts thereof or accessories thereto, and suppliers of all forms of light, heat, sound and power whatsoever, and of constructing railways and tramways and working the same by steam, gas, oil, electricity or other power.

MANAGING AGENTS' COMPANIES.

(1) To promote and to be incorporated as such, a joint stock

Company named The N. N. Mills Limited, and to promote and or take over other Companies for the purposes of working as cotton spinners, cloth manufacturers, and yarn and cloth merchants.

(2) To manage the cotton mill or mills that may be erected by the said N. N. Mills Limited, or by other Companies which may be promoted or taken over for working, by this Company.

(3) To work as Secretaries, Treasurers and Agents of the said N. N. Mills Limited, as well as any other Companies which may hereafter be promoted, as also the Companies the working of which may be taken over by this Company.

(4) To obtain remuneration upon such terms and basis as may from time to time be agreed upon between this Company and the said N. N. Mills Limited, or other Companies promoted or worked, for work done as promotors, as also for work done or to be done as Secretaries, Treasurers, and Agents for the Companies promoted or worked, and to distribute the same among the members of this Company.

(5) To appoint and entrust 'to S.P.H.N. (herein called the Managing Agents), his heirs, executors, administrators, assigns, nominees, substitutes, successors, representatives etc., with powers and for the consideration set forth in the Draft Agreement annexed herewith as per Schedule A, as also in terms of the Articles of Association, the management of this Company as well as on their behalf of the said N. N. Mills' Limited, as also of any other Companies that may hereafter be promoted or taken over for working on such terms as may from time to time be mutually agreed to. It is hereby expressly provided and declared that in consideration of the services rendered and to be rendered as Managing Agents, the appointment of S.P.H.N. to the office of the Secretaries Treasurers and Agents of this Company shall not be liable to be at any time hereafter revoked or cancelled on any ground or for any reason whatsoever.

MARINE AND AERIAL INSURANCE COMPANIES.

To carry on the business of marine and aerial insurance in all its branches and in particular to make or effect insurance on ships vessels boats crafts and aeroplanes of all kinds and on goods merchandise live or dead stock luggage effects specie bullion or other property respondentia and bottomry interests commissions profits and freights.

MINING COMPANIES.

(1) To take over, carry on, and work the mines and mining rights situated in the Districts of A. B. and C. in the C. P. of India, referred to in the before-mentioned agreement, and to take over, search for, prospect, examine and explore any other mines, lands, or ground in India containing or supposed to contain Manganese ore or other mineral products, and to search for and obtain information with regard to mines, mining claims, mining districts and localities, and with a view thereto to despatch and employ expeditions, experts, and other agents.

(2) Generally to undertake and carry on any business, transaction, or operation commonly undertaken or carried on by explorers, prospectors, or concessionaires, and to carry on any other business

which may seem to the Company capable of being conveniently carried on in connection with any of the objects of the Company, or which may be thought calculated directly or indirectly to enhance the value of, or render profitable, any of the Company's property or rights.

(3) To purchase or otherwise acquire, hold, sell, exchange, work, exercise, develop, turn to account, and dispose of any mines, mining or other similar rights, or any interest in the same respectively, and to finance and carry on any business, concern, or undertaking so acquired.

(4) To search for win, work, get, calcine, reduce, amalgamate, dress, refine and prepare for market any quartz and ore and mineral substances, and generally to buy, sell, manufacture, and deal in minerals and mineral products, plant, and machinery, and other things capable of being used in connection with mining or mettalurgical operations or required by the workmen and others employed by the Company.

NEWSPAPERS, PRINTERS, STATIONERS.

(a) To carry on business as proprietors and publishers of News papers, Journals, Magazines, books and other literary work and undertaking and in particular to conduct, print, publish, sell and export for sale in all parts of the world Newspapers in the English and Gujarathi languages to be published either daily or otherwise as the Directors of the Company may from time to time direct such paper to be conducted for the purpose of advocating, defending, maintaining, promoting, and championing the rights, aspirations and interests of Indians and the ventilation and discussion of all grievances, questions, matters and things bearing on and conducive to the promotion of such rights and aspirations and essential interests, welfare, and general benefits of the country.

(b) To carry on all or any of the business of printers, stationers, lithographers, typefounders stereotypers, electrotypers, photographic-printers, photo-lithographers, chromo-lithographers, engravers, die-sinkers, book-binders, designers, draughtsmen. paper and ink manufacturers, envelope manufacturers, account book manufacturers, machine rulers, numerical printers, paper bag and account book makers, box makers, card board manufacturers, ticket manufacturers, dealers in parchment, dealers in stamps and also if required designers, and manufacturers of stamps of all kind, advertising agents, book-sellers, publishers, dealers in the materials used in the manufacture of ink and paper, engineers, cabinet makers and dealers in or manufacturers of any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.

(c) To purchase or otherwise acquire either wholly or in part and to print, publish, edit and sell newspapers, magazines journals, reviews, pictorials, annuals, supplements, biographies, autobiographies, books, pamphlets, brochures, circulars and other literary works

and publications, and to carry on business as advertisers, advertising agents and contractors, bill-posters designers, draughtsmen, booksellers and stationers and to deal in pictures, pictorial postcards, photographs, photogravures, oleographs, paintings and other works of fine art, stationery, artistic goods and artists' materials, and to act as picture frame makers, photographers, artists, sculptors, painters and decorators.

(d) To collect and disseminate news and information and employ correspondents, authors, writers, and others and to pay for news and information, however obtained and to acquire copyrights, rights of publication and reproduction and other rights in respect of any literary. scientific artistic or other matter and to turn the same to account or dispose of the same.

(e) To establish competitions in respect of contributions information suitable for insertion in any publication of the Company or otherwise for any of the purposes of the Company, and to offer and award prizes, rewards and premiums of such character and on such terms as may seem expedient.

(f) To carry on the business of printers, lithographers, stereotypers, electrotypers, photographic printers, photo-lithographers, chromo-lithographers, engravers, die sinkers, enveope manufacturers, book binders, account book manufacturers, machine rulers, numerical printers, paper bag makers, cardboard manufacturers, typefounders, photographers, manufacturers of and dealers in plain, visiting, railway, festive, complimentary and fancy cards, tickets and valentines, dealers in parchment, dealers in stamps, ink manufacturers, paper manufacturers and dealers in material used in connection with printing presses and in the manufacture of ink and paper.

(g) To work the printing press either by hand, oil, steam, electricity or any other power and for the purposes thereof to construct, lay down, establish, fix and carry out all necessary electric cables, wires, lines, accumulators, lamps and works and to generate, accumulate, distribute and employ electricy for the purposes of light, heat, motive power, or otherwise and to manufacture or deal in all apparatus and things required for or capable of being used in connection with the generation, accumulation, distribution and employment of electricity.

APPENDIX A

(Continued)

FORMS AND PRECEDENTS

SECTION IV

AGREEMENTS

For Sale of a going Business to a Company.
For Purchase of Machinery.
For Purchase of a Concession.
Managing Agency Agreement Standard Form.
Comments on various Clauses of Managing Agency agreements with Precedents.
Allotment Agreements.
Allotment Agreement—Alternative Form.
Underwriting Agreement.
Agreement for Acquisition of Rights and Concessions.
Agreement of Service as Managing Director.
Power of Attorney to Branch Manager.
Extensive Power of Attorney by a Company.
Power of Attorney in Substitution of Old Power.
Supplementary Power of Attorney.
Power of Attorney for Registering and Executing a Document.
Form of Attestation when a Deed Executed by a Mark.
Indenture of Lease of a Mine.

Note —Forms already given in the text are not appended. A reference may be made for them in the Index.

FORM OF
AGREEMENT FOR SALE OF
A GOING BUSINESS TO A PRIVATE LIMITED COMPANY.

An Agreement made this.....day of.....One Thousand Nine Hundred and Thirty.....*between* A.B.C. of Bombay Parsi Inhabitants hitherto carrying on business as printer, publisher, Newspaper proprietor under the name and style of A. B. C. and Company, (herein-after called "the vendors" which expression shall be deemed to include his heirs executors and administrators) of the one part and the X. Y. Z. Limited, a Company incorporated under the Indian Companies Act, VII of 1913 and having its Registered Office in Bombay (herein-after called "the Company" which expression shall be deemed to include its successors and assignees) of the other part *whereas* the Vendors have for some time past been carrying on business as Proprietor, Publisher and Printer of the weekly publication of newspaper known as "New Prospect" and of the Printing press known as the "New Prospect Printing Press" at 15, Hornby Road, within the Fort of Bombay *and whereas* the Company has been formed under the Indian Companies' Act, VII of 1913 with a nominal capital of Rs. 100,000 divided into 200 shares of Rs. 500 each with a view, amongst other things, to the acquisition and taking over as a going concern of the said business *and whereas* by clause 3 of the Memorandum of Association and 4 of the Articles of Association of the Company it is provided that the Company shall enter into the agreement therein referred to, being this agreement *now it is agreed* by and between the parties as *follows*:—

1. The Vendor shall sell and the Company shall purchase the business carried on by the vendor as proprietor of the weekly publication or newspaper known as the "New Prospect" and of the printing press known as "New Prospect Printing Press" at 15, Hornby Road, Bombay, together with the goodwill, copyrights, and other rights and properties of or in connection with the said business and all the stock-in-trade belonging thereto including paper, ink, type, book-debts, plant, machinery, implements, furniture, fittings, books of account, fire insurance policies, utensils, bills, notes, and other materials to which the vendors are entitled in connection with the said business and the benefit of all contracts for printing, advertising or otherwise connected therewith and so far as transferable, of the agencies Indian or Foreign, held by or on behalf of the said vendors and all cash in hand and at the bank of the vendors in connection with the said business, as well as all debts owing to the vendors in connection with the said business and full benefit of all securities for same. The aforesaid assets are for the purpose of identification specified in a statement hereto annexed and marked "A" and subscribed by the parties hereto of the first and second parts respectively.

2. The consideration for the said sale shall be the sum of Rs. 100,000 which shall be paid and satisfied by, the allotment to the vendor and the other subscribers to the Memorandum of Association of the company of two hundred fully paid up shares in the capital of the company of Rupees Five Hundred each and the Two Hundred Shares agreed to be subscribed by the said subscribers to the Memorandum of Association of the company shall be deemed to be the said

fully paid up shares agreed to be allotted for the consideration of the said sale as aforesaid ,and shall be issued and allotted accordingly.

3. The company shall take over from the vendor the said business and assets inclusive as aforesaid as from the 1st day of 193 .

4. The Company shall pay, satisfy, discharge and fulfill all the debts, liabilities, contracts and engagements of the vendor in relation to or connected with the said business and shall indemnify him against all proceedings, claims and demands in respect thereof.

5. The said premises are sold free from all incumbrances.

6. The purchase shall be completed within one month of the date of execution of this agreement when possession of the premises shall as far as practicable be given to the company and the consideration aforesaid shall be paid and satisfied subject to the provisions of this agreement and thereupon the vendor and all other necessary parties, if any, shall at the expense of the company execute and do all assurances and things for vesting the said premises unto the company and giving to it the full benefit of this agreement as shall be reasonably required.

7. The possession of the said premises shall be retained by the vendor upto date of the completion of the purchase and in the meantime he shall carry on the said business in the same manner as hithertofore so as to maintain the same as a going concern and he shall as from the 1st of 193 , be deemed to have been and to be carrying on such business on behalf of the company and shall account and be entitled to be indemnified accordingly.

8. All books of account of the said business and all books of reference to customers and all the books and documents of the said business except such as relate exclusively to the private affairs of the vendor shall be delivered by the vendor to the company on possession being given of the premises pursuant to the provision in that behalf hereinbefore contained and the company shall thenceforth subject to the proviso be entitled to the custody thereof and to the use thereof, for the purpose of carrying on its business but the vendor shall have free access at all reasonable times to such of the said books and documents as he may deem fit to see.

9. The company shall subject to the consent of the office and the completion of the purchase be entitled to the benefit of the current insurance of the premises.

10. The company shall pay all the costs of and incidental to the preparation and execution of this agreement and of the Memorandum and Articles of Association of the Company and of the registration thereof and of stamps, fees and legal expenses incidental to the formation of the company and generally all preliminary expenses incurred whatsoever in relation to the company down to carrying into effect of this agreement and completing the purchase.

11. The company shall cause this agreement to be duly filed with the Registrar of Companies pursuant to Section 104 of the Indian Companies Act VII of 1913.

IN WITNESS whereof the party of the one part has hereunto affixed his hand and the company has hereunto affixed its seal the day and year first hereinabove written.

SIGNED by the within-named vendors in the presence of:.....

The Common Seal of X, Y, Z, LIMITED. was hereunto affixed in the presence of..... .....two of the Directors and.....the Secretary of the company and signed by them as such Directors and Secretary in the presence of.....

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.....
.....
.....

PRELIMINARY AGREEMENT.

AGREEMENT FOR PURCHASE AND ACQUISITION BY THE COMPANY WITH THE VENDORS OF A SUGAR FACTORY MACHINERY.

An agreement made the 15th day of October, One Thousand Nine Hundred and Thirty-three between the A. B. C. Mills Co., Ltd., (hereinafter called "the company") of the one part and X. Y. Z. & Co., a firm carrying on business in Bombay (hereinafter called "the Firm") of the other part *whereas* by an agreement bearing date the 8th day of February, 1933, and made between the D. E. F. Trading Co., Ltd., of the one part and the Firm of the other part a copy wherof is hereto annexed and marked "A" the Firm agreed to purchase from the said D. E. F. Trading Co., Ltd., a sugar factory machinery in accordance with the specifications herein mentioned at the price of Rs.....F. O. B., New York, upon the terms and conditions therein set out *and whereas* the Firm paid to the said D. E. F. Trading Co., Ltd., the sum of Rs..... ....as against the said price *and whereas* to fix the exchange for the payment of the balance the Firm has purchased the following exchange, *viz.*:—

And whereas the Firm placed an order with the G. H. & Co., Ltd., Calcutta for steel structures for the sugar mills of the company as set out in the Firm's letter to the said G. H. & Co., Ltd., at or for the aggregate price of about Rs..... on the terms set out in the said letters copies whereof are hereto annexed and collectively marked "B" *and whereas* the Firm has purchased various machineries, accessories and building materials in connection with the said sugar factory as shown in the schedule "C" hereto at and for the respective prices, respectively set against them in the said schedule *and whereas* by the Memorandum and Articles of Association of the company it is inter alia provided that the company shall enter into an agreement with the Firm to take over the benefit of the said agreement with the D. E. F. Trading Co., Ltd., for the purchase of sugar factory machinery and the said order placed by the Firm with the said G. H. & Co., Ltd., for furnishing steel structures as aforesaid as also to take over the sundry machinery accessories and building materials purchased by the Firm for and on behalf of the company and more particularly set out in the said annexture "C" hereto *now it is hereby agreed as follows*—

1. The company shall take over from the Firm and the Firm shall sell to the company:

(1) All the benefit and advantage of:—

(a) The said agreement bearing date the 8th day of February, 1933, and made between the D. E. F. Trading Co., Ltd., of the one part and the Firm of the other part for the supply of a sugar manufacturing plant therein specified at the price of Rs.....F.O.B. New York and

(b) the said order placed by the Firm with Messrs. G. H. & Co., Ltd., for supplying steel structures for the sugar mills of the company as specified in the Firm's said letters to the said G. H. & Co, Ltd., of..... and

(2) all that the sundry accessories and building materials purchased by the Firm for and on behalf of the company and more particularly set out in the schedule "C" hereto at or for the respective prices set against them respectively in the said schedule.

2. The company will pay for and take delivery of the said sugar manufacturing plant from the said Messrs. D. E. F. Trading Co., Ltd., as and when the same arrives in Calcutta and will also pay for and take over from the Firm Rs.....and also shall pay to the Firm all the costs, charges and expenses made and incurred by the Firm in connection with the said agreement.

3. The company will pay for and take delivery of the said steel structures from the said Messrs. G. H. & Co., Ltd., Calcutta, as specified in the Firm's letters to the said Messrs. G. H. & Co., Ltd., of .....

4. The company shall pay to the Firm the respective prices of the sundry machinery, accessories and buildings materials set out in the schedule "C" hereto and shall take delivery of the same from the Firm.

5. The company will pay the price and observe all and every stipulations, agreements, provisions and conditions respectively which are mentioned or contained in the said agreement of..... with the D. E. F. Trading Co., Ltd., and in the said correspondence with G. H. & Co., Ltd., and on the part of the Firm are thereby agreed to be paid, performed and observed and will keep the Firm at all times indemnified against all payments, actions, claims, and demands by reason of the non-payment of the prices or non-observance of the stipulations, agreements, provisions and conditions contained in the said agreement and correspondence and to be paid, observed and performed by them or otherwise in relation thereto.

6. The said agreement of the.....day of.....and the said order placed with the G. H. & Co., Ltd., as per the said correspondence hereinbefore mentioned shall be binding on the company in the same manner and shall take effect in all respects as if the company had been in existence at the respective dates thereof and had itself placed the same with the said D. E. F. Trading Co., Ltd., and the said G. H. & Co., Ltd., respectively.

7. The said rates aforesaid of the sundry machinery, accessories and building materials set out in the schedule "C" hereto will also be binding on the company in the same manner and take effect in all

respects as if the Company had been in existence at the respective dates thereof and had itself purchased the same and the company shall keep the Firm indemnified against all payments, actions, claims and demands in respect thereof respectively.

In witness whereof the company has caused its common seal to be hereunto affixed in the presence of two of its Directors who have also set their respective hands and the Firm has hereunto set its common seal at Bombay aforesaid the day and year first hereinabove written.

PURCHASE OF CONCESSION FOR BUILDING A RAILWAY BY THE COMPANY FROM THE SYNDICATE.

Articles of agreement made and entered into this.....day of .....One Thousand Nine Hundred and..... between A., B., C. and D. carrying on business at Bombay and elsewhere under the name style and firm of Messrs. E. F. and Company (hereinafter called "the Firm" which expression shall unless excluded by or repugnant to the context include each of the persons named and his heirs executors administrators and assigns) of the first part and the Indian Railways Company, Limited, a company registered under the Indian Companies Act, 1913, and having its Registered Office situated in Bombay (hereinafter called "the company" which expression shall unless excluded by or repugnant to the context include The Indian Railways Company, Limited, and its successors and assigns) of the other part *whereas* the Firm have secured from the Secretary of State for India in Council through the Government of India a concession to form a company and to construct two lines of railway from M. to E. and from M. to Y. respectively in the Central Provinces of India *and whereas* the terms of the said concession which is based upon the terms for the construction of branch lines contained in Government of India Resolution in the Railway Department No..... dated the.....day of.....(a copy whereof without its accompaniments which are not material to this agreement is subjoined hereto by way of schedule A) are set out in two letters addressed by the Secretary to the Railway Board, Government of India, Railway Department, namely, No.....dated the..... day of.....and No.....dated the .....day of..... ... .(copies of which letters are subjoined hereto by way of schedule B) and which letters contain certain modifications of the terms contained in the said resolution of the Government of India No..... before mentioned *and whereas* the Firm have been instrumental in preparing a scheme for the incorporation and flotation of a company (being the company) for the purpose of taking over and working the concession so acquired by the Firm as aforesaid *and whereas* the company was registered under the Indian Companies Act, 1913, on the day of..... .....with a nominal capital of Rupees..... divided into Sixty Thousand Ordinary Shares of Rupees..... each with the view (amongst other things) of acquiring from the Firm the benefit of and of becoming subject to the conditions of the said concession and of acquiring the right to enter into execute carry out and fulfil a contract to be prepared and made between the Secretary of State for India in Council of the one part and the company of the other part and to carry the same into effect for the purpose

of causing to be constructed completed and made ready railways for M. to E. and from M. to Y. respectively as aforesaid upon the terms and conditions to be set out in the said contract and of constructing or causing to be constructed the said railways with power to extend the same in any direction and make branch railways or tramways or roads in any direction joining on to such railways or extensions *and whereas* by the Articles of Association of the company it is provided that the company shall enter into an agreement in form of the draft agreement specially referred to in Article 3 (a) (being this agreement) with or without modification now these presents witness and it is hereby mutually covenanted and agreed by and between the parties hereto as follows:—

1. That the Firm and the Company respectively will in due course do and concur in all acts necessary or expedient for the purpose of transferring and making over to and vesting in the company the concession aforesaid and will respectively enter into and carry into effect all such contracts deeds or other documents as may be necessary or as may be required by the Secretary of State for India in Council or the Government of India for completing the said transfer and for giving effect to the said concession upon the terms appearing in the Resolution and letters subjoined hereto by way of Schedule A and B.

2. That the Firm shall be entitled as consideration for the services rendered by them in the incorporation and flotation of the company to the commission and remuneration sanctioned by the Government of India as set out in the said letter No.....dated the.....day of.....

3. That the Firm shall be appointed th agents of the company for so long as they shall be willing to act subject to their removal from such agency by a resolution passed at an extraordinary general meeting of the company by a majority of votes of not less than three fourths of the shareholders of the company and that the Firm shall hold the office of agents of the company upon the terms of the agreement the draft of which has already been prepared and approved and which draft is specifically referred to in Article 3(b) of the Articles of Association of the Company.

4. That during such time as the Firm hold the office of agents of the company one member of the Firm shall be *ex-officio* a director of the company and as such shall *ex-officio* be chairman of the directors.

5. That no objection shall be taken to this agreement or to its being entered into by the directors of the company on the ground that any of the said directors are interested in the commission and remuneration aforesaid or that any of the directors stand in a fiduciary position towards the company or that the directors having joined the board at the request of the parties hereto of the first part no independent or entirely independent board of the company is in the circumstances constituted or that the consideration for this agreement has been fixed by the parties hereto of the first part.

6. In the event of any dispute or difference at any time arising between the Firm and the company in respect of this agreement or the several matters specified herein or with reference to anything arising out of or incidental thereto such dispute or difference shall be submitted to and be decided by the arbitration of two arbitrators one to be named by each party to the dispute or difference which

arbitrators shall appoint an umpire before taking upon themselves the burthen of the reference and this agreement shall be deemed to be a submission to the arbitration of two arbitrators within the meaning of the Indian Arbitration Act, 1899 and all the provisions of that Act (except as hereby expressly varied) or of any Act of the legislature passed in substitution therefor or in modification thereof shall be deemed to apply to any reference hereunder.

IN WITNESS WHEREOF the said A., B., C., and D. have hereunto respectively set their hands and the common seal of the Indian Railways Company, Limited, hath been hereunto affixed the day and year first above written.

PRECEDENTS AND FORMS OF MANAGING AGENCY AGREEMENTS.

Articles of agreement made and entered into this.....day of .....193 between the..... a Joint Stock Company registered under the Indian Companies Act, 1913, and having its registered office situate at Bombay, hereinafter called the said Company, of the one part, and Messrs.....carrying on business at Hornby Road, Fort, Bombay, having their Head Office at Mount Road, Madras, of the other part; *whereas* in consideration of the said firm of Messrs.....having promoted and brought about the formation of the said Company it is provided in the Articles of Association of the said Company that the said Messrs..... .....their assigns and successors in business, shall be the Managing Agents of the said Company and by the said Articles of Association the Directors of the said Company are authorised to execute or cause to be executed on behalf of the said Company this present Ageement now these presents witness and it is hereby mutually agreed by and between the parties hereto as to the said Company on behalf of itself, its successors and assigns, and as to the said Messrs.....for themselves, as well as their assigns and successors in business in manner following that is to say.—

1. The said Messrs.....and their assigns successors in business notwithstanding any change in the name or style of the said firm, hereinafter unless otherwise designated called the said firm, shall be the Managing Agents of the said Company for a period of fifty years from the date of Registration of the said Company, *i.e.*, the.....day of.....and thereafter until they shall resign or be removed from the office by an Extraordinary Resolution of the said Company passed at an Extraordinary General Meeting convened for the express purpose, and of which meeting six months' notice shall be given to each Shareholder at his address on the register and not by advertisement, and at which meeting not less than seven-eighths in number of the holders of Ordinary Shares of the Company for the time being issued shall be present in person and not less than seven-eighths of the paid-up Ordinary Share Capital of the Company for the time being shall be represented it being expressly agreed that no question of such removal from office of the Managing Agents shall arise before the termination of the said period of fifty years.

2. The remuneration of the said firm as such Managing agents shall be as follows:—

(a) An office allowance of Rs. 500 (Rupees five hundred only) per mensem.

(b) A commission of 1¼ percent (One and one-quarter percent)

on all sales of the Company's products, and also,

(c) A commission at the rate of 10 per cent. (Ten percent) on all profits of the Company, after making all proper and necessary allowances and deductions from revenue for working expenses chargeable against profits.

(d) The said commission shall be exclusive of and shall not include any remuneration, salaries, wages, which shall be payable to the Bankers, Solicitors, Engineers, Commission Agents, Dealers, Brokers, Officers, Clerks, Servants, Workmen and other Employees who may be employed by the said firm for or on behalf of the said Company, or for carrying on and conducting the business of the said Company nor any rent, post and telegram expenses, printing and stationery, or other office expenses nor any travelling charges and expenses incurred by the said firm in connection with the business of the said Company, all of which rent, remuneration, salaries, wages, costs, charges and other expenses shall be paid by the said Company.

(e) In calculating the net profits of the said Company for the purposes of the last preceding clause (c) no deduction shall be made from profits for income tax, super tax or excess profits tax or any other assessments or taxes payable to Government or for depreciation, or in respect of any amount carried to the various accounts referred to in Sub-clause 19 Article 117 of the Articles of Association nor shall any deduction be made for expenditure on capital account.

(f) The said commission shall be due to the said firm yearly on the 31st day of September in each and every year during the continuance of this agreement, and shall be payable and be paid immediately after the Annual Accounts of the Company have been passed by the Shareholders.

3. The said firm may also in addition to their duties as such Managing Agents as aforesaid perform any other duties and work for the Company which the directors may decide and shall receive such reasonable and proper remuneration for such work as shall be from time to time agreed upon between the said firm and the directors such remuneration being addtion to the remuneration as aforesaid.

4. The said firm hereby convenant and agree with the said Company that they will during the said term be and act as the Managing Agents of the said Company for the remuneration herein before mentioned and upon and subject to the terms and conditions herein contained and will use their best endeavours to promote the interests and business of the said Company and will not divulge or make known any of the secrets or affairs thereof.

5. Subject to the control and supervision of the Directors the said firm shall have the general conduct and management of the business and affairs of the said company and shall have power on behalf of the said Company to acquire by purchase, lease, of otherwise lands, tenements and other buildings and to erect, maintain, alter and extend factories, warehouses, engine houses, refineries, mills and other buildings in U.P., and elsewhere in India, to purchase, pay for, sell, re-sell, and repurchase in India and elsewhere machinery engines, plant, produce stores, and other materials and to manufacture sugar, molasses, syrups, melada and all products or by-products thereof and to sell the same either in Bombay of elsewhere and either on credit or for cash, and for present or future delivery, to execute, become parties to, and where necessary to cause to be registered all deeds, agreements, contracts, receipts, and other documents, to insure

the property of the said Company for such purposes and to such extent and in such a manner as they may think proper, to institute, conduct, defend, compromise, refer, to arbitration and abandon legal and other proceedings, claims and disputes in which the said Company is concerned, to appoint and employ, discharge, re-employ, or replace, engineers, managers, retail commission dealers, muccadums, brokers, clerks, mechanics, workmen, and other officers and servants with such powers and duties and upon such terms as to duration of office remuneration or otherwise as they may think fit, to draw, accept, endorse, negotiate and sell bills of exchange and hundies with or without security and to receive and give receipts for all moneys payable or to be received by the said Company, and to draw cheques against the moneys of the said Company, and generally to make all such arrangements and do all such acts and things on behalf of the said Company, its successors, and assigns as may be necessary or expedient and as are not specifically reserved to be done by the Directors.

6. The said firm shall be entitled to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them and in particular from time to time to provide by the appointment of an Attorney or Attorneys for the management and transaction of the affairs of the Company in such manner as they may deem fit.

7. The said firm shall have charge and custody of all the property, books of account, papers, documents and effects belonging to the said Company wheresoever situate and being.

8. The said firm shall keep proper and complete books of accounts of the dealings and working of the said Company and shall prepare and keep or cause to be prepared and kept therein complete accounts of all purchases and sales and of all receipts and disbursements made, received and paid by the said firm for and on behalf of the said Company and the said firm shall also prepare and keep or cause to be prepared and kept such further and other accounts as the said Company or the Directors shall from time to time direct.

9. The said firm shall be at liberty to retain, re-imburse, and pay themselves out of the moneys of the said Company all preliminary charges and expenses legal or otherwise of any incidental to the formation of the said Company and all salaries and wages of servants or workman and all moneys from time to time expended by them on behalf of the said Company and all sums due to the said firm for allowance, commission or otherwise.

10. The said firm shall be entitled to have two nominees on the directorate of the said Company. The nominees and their respective successors in office appointed under this clause shall be entitled to hold office until requested to retire by the said firm and accordingly they shall not be bound to retire by rotation or be subject to Clauses of the Company's Articles of Association. As and whenever a director so nominated vacates office, whether upon request as aforesaid or by death or otherwise, the said firm may appoint another director in his place. Such Directors shall not require any qualification, and may at any time by notice in writing to the said Company resign their office.

11. It shall be lawful for the said firm to change its name or style from time to time.

12. It shall be lawful for the said firm to assign this Agreement and the rights of the said firm hereunder to any person, firm, or

company having authority by its constituiton to become bound by the obligations undertaken by the said firm hereunder, and upon such assignment being made and notified to the said Company the said Company shall be bound to recognise the person or firm or Company aforesaid as the Managing Agents of the said Company in like manner as if the name of such person, firm or Company had appeared in these presents in lieu of the said firm and as if such person, firm of Company had entered into this Agreement with the said Company and the said Company shall forthwith upon demand by the said firm enter into an Agreement with the person, firm or Company aforesaid appointing such person, firm or Company the Managing Agents of the said Company for the then residue of the terms oustanding under this Agreement and with the like powers and authorities remuneration and emoluments and subject to the like terms and conditions as are herein contained.

13. It shall be lawful for the said firm to assign the whole or any portion of their earnings as aforesaid without thereby in any way affecting their appointment as such Managing Agents as aforesaid.

14. It is hereby expressly agreed and declared that if any time the said firm shall be constituted differently from what it is at the date of these presents and the appointment of the said firm as such Agents as aforesaid hereby made shall be held or construed not to be valid in law by reason one of or some or all of the partners thereof not having been partners at date of these presents and not having executed the same or otherwise then and in such case these presents shall nevertheless be construed and taken as amounting to an agreement between the said Company of the one part and the present members of the said firm of the other part that the said Company, its successors and assigns shall appoint the firm so differently constituted as aforesaid to be the Managing Agents of the said Company, its successors and assigns with the like powers and authorities remuneration and emoluments and subject to the like terms and conditions as are herein contained.

15. It shall be lawful for any member of the said firm to assign the whole or any portion of his share of the earnings of the said firm without thereby in any way effecting the appointment of the said firm as such Agents as aforesaid.

16. It shall be lawful for any member of the said firm to assign the whole or any portion of his interest in the said firm or to withdraw from the said firm altogether without thereby in any way affecting the appointment of the said firm as such agents as aforesaid.

time for the purposes and with the object of transferring its business to another company, the said company shall make it one of the terms and stipulations of their arrangement for the transfer of their property and business to such other company as aforesaid that such other com-

17. In the event of the said company being wound up as any pany shall appoint the said firm of whatever member of members it may at the time of such sale or transfer as aforesaid consist, to be the managing agents of such new company and with the like powers and authorities to the said firm and on the same terms and conditions as to remuneration emoluments and otherwise as are herein contained; it is hereby expressly agreed and declared that save and except with such condition and stipulation as one of the terms of the sale and transfer

thereof the said company will not sell and transfer its business to any other company.

18. In the event of the said company being wound up either voluntarily or by and under the directions of the court or under the supervision of the court, the said firm shall receive from the said company or the liquidators thereof as compensation for the loss of their employment as such agents as aforesaid a sum of money equal to five times the average annual amount of the commission and remuneration earned by the said firm as such agents as aforesaid during the three years preceding the resolution or order (as the case may be) for the winding-up of the said company. Provided however that this clause shall not apply in the event of the said company being wound-up with the object of transferring its business to any other company.

19. In the event of any dispute or difference at any time arising between the said company and the said firm in respect of this agreement or the several matters specified herein or with reference to anything arising out of or incidental thereto, such dispute or difference shall be submitted to and be decided by the arbitration of two arbitrators one to be named by each party to the dispute or difference which arbitrators shall appoint an umpire before taking upon themselves the burden of the reference and this agreement shall be deemed to be a submission to the arbitration of two arbitrators within the meaning of the Indian Arbitration Act, 1899, and all the provisions of that act (except as hereby expressly varied) or of any act of the legislature passed in substitution therefor or in modification hereof and for the time being in force shall be deemed to apply to any reference hereunder.

IN WITNESS WHEREOF the Common Seal of the..... ....has been hereunto duly affixed in the presence of two of the directors of the said company and the signatures of the said.....have been hereunto set and subscribed the day and year first above written.

The common seal of.....
.....was hereunto affixed
pursuant to a resolution of the directors
passed at a meeting of the board held
on.....the day of.....193 .
in the presence of:—

Directors.

Countersigned by:
as the person specially authorised by
the directors for the purpose.

Signed by the abovenamed.....
Limited in the presence of:—

Comments on Different Clauses of Managing Agency Agreements with Precedents.

From the agreement form given on pervious pages it will be noticed that the different clauses relate to different items and though the above precedent is given as a specimen of the usual agreements entered into by managing agents with their companies, there are variations in the clauses dealing with various items. These variations will now be dealt with in detail hereunder:—

APPOINTMENT CLAUSE.

The clause No. 1 of the above agreement is ordinarily known as the appointment cause. In the above clause it must kave been noticed that the managing agents are to continue as such for a period of 50 years from the date of registration of the company and thereafter "until they shall resign or be removed from office by a special resolution of the said company, etc." This part of the clause has its various alternatives such as:—"until the agent shall resign or be removed from the office by a special resolution of the said company."

There is another form in which more stringent requirements are introduced by which it is laid down that they are not liable to be be removed except in case of fraud. The wording runs as follows:—

"Until they of their own will resign and their appointment as such agents shall not at any time during the said period *be liable to be revoked or cancelled on any ground or for any reason whatsoever save and except of their being found guilty of fraud* in the management of the business of the company and the discharge of their duties as such agents."

There is another form in which it is provided that they can be removed only at an extraordinary general meeting called with previous six months notice to all shareholders and at such meeting 7|8ths in number of the shareholders must be present and that too after the original period as laid down for the agency agreement has expired This form runs as follows:—

"And thereafter until they shall resign or be removed from their office by the company by an extraordinary resolution of the company passed at an *extraordinary general meeting convened for the express purpose and of which meeting six months' notice shall be given to each shareholder at his* address on the register and not by advertisement and at which meeting *not less than seven-eighths in number of the holders of ordinary shares of the company for the time being issued shall be present in person* and not less than seven-eighths of the paid up ordinary share capital of the company for the time being shall be represented it being expressly agreed that *no question of such removal* from office of the managing agents shall arise *before the termination* of the said period of fifty years."

Ther are other cases where besides fraud "wilful misconduct" is also stated as one of the cases on which managing agents could be removed. This clause would run as follows:—

"The said firm..... .....save and except their being found *guilty of fraud or wilful misconduct* in the management of the business of the company and the discharge of their duties as such agents and that too only by a special resolution of the company duly passed and confirmed in accordance with Section 81 of the Indian Companies Act, 1913 or the other legislative provision for the time in force in that behalf."

There is another form in which the managing agents themselves are given liberty to resign with 12 months notice. It runs as follows:—

"And thereafter until they shall resign or be removed from their office *by a special resolution of the company but with liberty to the said agency at any time* by twelve months' notice in writing to the said company such notice to expire at the end of any financial year of the said company."

An alternative form to this is:—

"And thereafter *until they shall resign* or *other agents shall be appointed by a special resolution of the said company.*"

The other alternative form is as follows:—

"The managing agents can only be removed from their office on clear proof of gross dereliction of duty or bad faith and dishonesty or misappropriation of company's money and properties which cause serious loss of money to the company, by an order of the court, at the instance of the shareholders of the company and who shall authorise the directors at a general meeting to be convened for the express purpose and of 'which meeting six calendar months' notice at least shall be given to each shareholder at his address and not by an advertisement and at which meeting not less than three-fourth of the members in the register entitled to vote shall be present in person or by proxy duly constituted and not less than three-fourth of the capital of the company for the time being shall be represented to move the court for the purpose."

The other alternate form gives fraud, misappropriation or breach of trust in the administration of the company as the ground in connection with their duties as managing agents, which charge must be proved in a court of law. This also gives them the power to continue after the period for which they are appointed expires. This runs as follows:—

"For a period of 25 years from the date of this agreement and shall continue thereafter also to be such managing agents and do business of the company as such, they shall have the option to resign at any time with six months' notice but their appointment as such managing agents shall not at any time during the said period of twenty-five years be liable to be revoked or cancelled. They shall not be removed from the said office on any ground or for any reason whatsoever except in cases where they are found guilty of fraud, misappropriation or breach of trust in the administration of the company and the discharge of their duties as such managing agents. The proof of such gross fraud, misappropriation or breach of trust in a competent court of law shall be a condition precedent to such removal."

There is another clause which provides for "gross neglect of duties" to be proved in court besides a special resolution at an extraordinary meeting and also prevents the managing agents from holding more than one-third of the paid up capital of the company. This clause runs as follows —

"The managing agents shall be liable to removal for *gross neglect of duties* as proved in court of law. They shall also be liable to be removed by a special resolution passed at an extraordinary general meeting of the shareholders convened for the purpose and by majority consisting of half the number of shareholders possessing not less than half of the subscribed capital for the same reason for which a court of law will have the power to remove them. The managing agents shall not possess more than one-third of the paid up capital of the company in shares."

One other form provides for a fixed duration of so many years within which they are permitted to resign with six months' notice, if they so desire and provides that in case of their resignation, they shall not be entitled to any compensation and the remuneration within the fixed period is only subject to their being guilty of fraud. It runs as follows:—

"The company shall employ the agents as the agents of the company for and during the term of 21 years from.....day of .....or such later date on which the agents are handed over charge of the company's concern as such agents provided, however, that the agents shall be entitled at any time during the said period of 21 years to resign their office as agents of the company by six months' notice in writing in that behalf and on such resignation coming into effect these presents shall terminate and the agents shall be entitled to remuneration as hereinafter provided upto the date on which the resignation comes into effect, but shall not be entitled to compensation.

It is hereby expressly agreed and declared that the appointment of the firm to the office of the agents of the company shall not at any time hereafter within the said period of 21 years be revoked or cancelled on any ground or for any reason whatever save and except their being found, guilty of fraud in the discharge of their duties as such agents."

REMUNERATION CLAUSE.

The remuneration clause as given in the principal form, viz., Clause 2, is no doubt an usual form, but there are many variations in it according to arrangements. Some agents are content with commission on profit, others take an office allowance plus a commission on profits, others provide for a commission on sale. In older cases of cotton textile mills, a certain payment on output was provided for such as three pies to every pound of yarn turned out. There are cases such as the one which we saw in the main precedent where all of these are provided for, *viz.*, office allowance, commission on sales and commission on profits. In connection with profits also for the purpose of computing commission of agents there are various variations given in the form, *viz.*, cl. 2(a) in the main precedent.

In some agreements after providing for office allowance, etc., a commission at a fixed percentage on profits is provided for and in addition it is further provided that in case the commission earned falls short of a certain figure laid down in the said agreement the company shall pay to the managing agents a sum sufficient to make up the minimum amount. This form runs as follows:—

"Provided that if in any year no such commission is earned or the commission earned as aforesaid falls short of Rs. 36,000 the company will pay to the managing agents a sum sufficient to make up the minimum amount of Rs. 36,999 per annum in respect of such commission."

Some agreements also provide for a commission of a certain percentage on purchases made by the managing agents on behalf of the company in connection with stores, accessories, machinery, etc. This runs as follows:—

"A commission of 2½ per cent. on the net invoice amount (after deducting all manufacturers' allowances, and return commissions which are to be paid to the company) due in respect of machinery stores and accessories ordered or indented for by the managing agents for the company and a commission of 5 per cent. in respect of all machinery stores or accessories supplied by the managing agents to the company from stock in the godowns of the managing agents either in Bombay or elsewhere, the managing agents entitled to charge for

any machinery, stores or accessories so supplied by them on the same terms plus the usual charges for shipping customs duty hamallage, etc., as they would charge to any outside buyer."

There are cases in the agency agreement where this commission is frequently provided for on a graded form and frequently a minimum is also provided for. This clause usually runs as follows:—

"From and after the said first day of July one thousand nine hundred and sixteen a commission upon the net profits of the said company calculated in the manner following, that is to say, commission at the rate of five per cent. upon the net profits of the company (calculated as below) whether dividends are declared upon the share capital of the company or not; and in such year or years as the ordinary shareholders receive a dividend exceeding eight per cent. and not exceeding ten per cent., at the rate of seven per cent. upon the said net profits; in such year or years as the ordinary shareholders receive a dividend exceeding ten per cent. and not exceeding twelve per cent., at the rate of eight per cent. upon the said net profits; and in such year or years as the ordinary shareholders receive a dividend exceeding twelve per cent. at the rate of nine per cent. upon the said net profits. Provided that in no year shall the agents remuneration be less than the sum of rupees fifty thousand, which amount shall be due and payable to them in each year whether a dividend shall be declared upon the share capital of the company or not and whether the company shall make any profit or not, the said sum of rupees fifty thousands being agreed to be the minimum annual remuneration of the agents."

The clause which provides for a commission on outturn runs as follows:—

"The said firm shall receive from the company as remuneration for their services as agents of the company a commission of one-fourth anna per lb. on all yarn and cloth manufactured and sold by the company and a commission of 2½ per cent. on the proceeds of sale of any materials, yarns and fabrics manufactured from wool, jute, silk and other fabrics and sold by the company, provided, however, that in the event of the net profits of the company in any one year being less than the amount sufficient to pay a dividend of 6 per cent. on the issued capital for the time being of the company, whatever be the dividend that might be declared and whether or not any dividend is declared by the company in that year, the said firm shall only be paid two-thirds of the commission that would become payable to them as aforesaid, it being the intention of the parties that whenever the net profits made by the company in any one year are such as would be sufficient to enable the company to pay a dividend of 6 per cent. on the issued capital for the time being of the company, whatever be the dividend that might be declared and whether or not any dividend is declared by the company in such year, the said firm shall be paid the full amount of their commission and that whenever such net profits are not sufficient to pay such a dividend of 6 per cent. the said firm shall be paid only two-thirds of such commission."

NOTE:—It will be noticed that in this case as a sort of concession from the agents, a lower rate is fixed in case the profits do not permit of a dividend at a certain percentage.

A clause providing for the power to increase the remuneration in case additional business is taken up by the company may also be

inserted as follows:—

"If the said company shall at any time hereafter carry on any business other than that of spinning cotton or manufacturing yarn or cloths, the agents shall be paid such further remuneration as to the directors of the said company may seem meet."

Frequently clauses are inserted entitling the managing agents to have the use of motor-cars or other conveniences such as free family quarters etc., they run as follows:—

"The managing agents shall have a motor car of the company at their disposal for inspection of the cane centres and for coming to the head office at X. The expenses of the motor car shall be borne by the company. They shall have extra allowance and hotel charges, if they are required to go outside their jurisdicion and to other districts.

The managing agents shall have free family quarters at the factory to enable them to attend the work always."

In case of ginning factories and the like, where the principal income of the company is made up of labour performed by the company ginning cotton as well as where they act as dealers in yarn cotton, a clause is inserted such as the following to provide for a percentage on gross sale proceeds as well as on "bills of labour" performed by the company. It runs as follows:—

"The company shall, during the continuance of this agreement pay to the said firm by way of remuneration for their services as such secretaries, treasurers and agents as aforesaid a commission of 3 per cent. on gross sale proceeds of all yarn cloth and/or other materials and 15 per cent. of all bills of labour performed by the company or any other income made by the company. Provided however that if in any official year the company does not earn a net profit sufficient to pay six per cent. on the paid up capital of the company, the company shall pay during each year 2 per cent. only on the gross sale proceeds as aforesaid The commission payable to the said firm shall be credited to their account on the first day of every six months and the same shall be a debt due to them by the Company."

The author has come across a case where besides allowances, an additional allowance is provided for in the agreement for supervision of the mill by the managing agents to the following effect:—

"An additional allowance of Rs. 1,000 per month in the event of and for so long as the Company shall not have a Mill Manager employed by them at the Mills which sum shall be deemed an allowance to the Managing Agents for supplying from the staff the necessary supervision at the Mills."

A clause is to be found in some agreement in which the agents take care to provide that their remuneration may not be altered or reduced by the company. It runs as follows:—

"That the company will not hereafter by any resolution special, extraordinary or otherwise make any alteration reducing the scale or mode of commission as fixed by the Articles and herein, nor shall the said company make any alteration in its regulations which can in any way modify or prejudicially affect the Agents' rights under this agreement nor any resolution removing or suspending the Agents' firm from their agency.

Such appointment of the Agents' firm, as is hereby confirmed upon the terms and with powers and for the consideration set forth

herein, may be revised, modified or altered from time to time in such one or all particulars as the Board of Directors and Agents may both jointly agree to.'

Clauses third and fourth of the agreement form given above are more or less followed on the same footing with a little change of wording here and there as circumstances make necessary by all the Indian companies. The most important clause which will now require attention is the clause similar to clause 5 in the agreement form given above in which the powers of management as delegated to the managing agents are dealt with.

POWERS OF MANAGEMENT BY THE AGENTS.

The powers of management as given in the agreement form given above virtually speaking after specifying the various acts which the managing agents can do, close up the clause with the words at the end, *viz.*, "and do all such acts and things on behalf of the said company, its successors and assigns as may be necessary or expedient and as are not specifically reserved to be done by the directors." Thus virtually speaking all powers which are not specifically stated to be exercised by the directors alone can be exercised by the managing agents under an all embracing clause such as in the form of agreement given above. The clauses in other agreements as far as this point is concerned do not specifically give any residuary power such as the above but simply close with the wording, *viz.*, "and do all acts and things on behalf of the said company, its successors and assigns as may be necessary or expedient." In some clauses while dealing with the power of taking legal proceedings besides the general wording as above given in the agreement form, the words are also added as "to institute, conduct, defend, compromise, refer to arbitration and abandon legal or other proceedings and claims by and against the said company and the *directors and officers* of the said company and otherwise concerning the affairs of the said company etc." It will thus be seen that the words in italics refer to proceedings by or against the directors and officers of the company.

In case of companies where there is a managing director besides the managing agent, this clause as to the powers of the managing agents, is restricted to the extent necessary to bring them in conformity with the powers of the managing directors. Thus the clause takes more or less the following form:—

"Subject to the control and supervision of the Directors the Firm shall have the general conduct and management of the office business and financial affairs of the said company and shall have power and when necessary it shall be the duty of the firm to institute conduct defend compromise refer to arbitration and abandon legal and other proceedings claims and disputes in which the company is concerned to appoint and employ discharge, re-employ managers clerks and other servants and employees employed in the office of the company and not employed on the construction works by the Managing Director with such powers and duties and upon such terms as to duration of office remuneration or otherwise as it may think fit to pay all salaries and wages of the Managing Director *Managers officers clerks workmen* and other employees of the company whether employed by them or the *Managing Director but*

in the latter case through the Managing Director or at his request through the Manager in charge of the work in which such Managers officers clerks or other employees are employed to draw accept endorse negotiate and sell bills of exchange hoondies promissory notes and to receive and give receipts for all moneys payable to or to be received by the company and to draw cheques against the moneys of the company to make all returns and prepare balance sheets are required by the Indian Companies Act, 1913, and generally to make all such arrangements and do all such acts and things on behalf of the company as may be necessary or expedient except such as are specially reserved to be done by the Directors or such as come within the control and direction of the Managing Director."

Some clauses are so framed as to give categorically in serial orders the powers and duties of the managing agents. They are drafted more or less in the following form:—

"Subject to the control of the Directors of the Company, the said Firm shall have the general conduct and management of the whole of the business and affairs of the Company and shall have all the following powers on behalf of the company:—

(a) To acquire by purchase, lease or otherwise lands or buildings.

(b) To erect, maintain, alter or extend factories, warehouses engine-houses and other buildings.

(c) To purchase, pay for, sell, re-sell, re-purchase machinery, engines, plant, stores, raw cotton and all other materials.

(d) To manufacture yarn, cloth and other fabrics.

(e) To bleach or dye yarn or cloth.

(f) To gin and/or press cotton.

(g) To purchase seeds and extract oil &c.

(h) To sell the same either on credit or for cash or for present or future delivery.

(i) To insure the property of the Company for such periods and to such extent and in such manner as they may think proper.

(j) To institute, conduct, defend, compromise, refer to arbitrations, or abandon legal and other proceedings, claims, and disputes in which the company is concerned.

(k) To appoint and employ, discharge, re-employ or replace bankers, managers, engineers, retail commission-dealers, muccadums, brokers, clerks, mechanics, workmen, and other officers and servants, with such powers and duties and upon such terms as to duration of office, remuneration, or otherwise as they think fit.

(l) To draw, accept, endorse, negotiate, or sell promissory notes, bills of exchange, and hundees or other negotiable instruments with or without security.

(m) To receive and give receipts for advances against the goods of the company, and draw cheques against the moneys of the company.

(n) To generally make all such arrangements and do all such acts and things on behalf of the comppany as may be necessary or expedient and as are not specially reserved to be done by the directors.

The powers of borrowing and investment are also sometimes specifically given to the managing agents in a serial order including

the powers of purchasing or selling of goods machinery, stores from or to the managing agents. In these cases these clauses in the agreement may take the following form:—

"The firm of agents is hereby authorised:—

(a) To build erect and maintain warehouses factories with chawls and other buildings and to erect maintain and work spinning and or weaving mills, cotton mills, jute mills and mills of any other description, to buy machinery for the storing packing and pressing of cotton and to produce into bales, to provide facilities for the storing packing and pressing of cotton, etc., to purchase machinery stores, etc., whether in India or in any other country whatever, and to sell and replace same or any portion thereof, from all persons including the agents firm or any firm in which they may be partially or wholly interested.

(b) To buy and sell raw cottonwaste.....and also to sell the same on credit or future delivery or otherwise howsoever from all persons including the agents' firm or any other firm in which they may be partially or wholly interested.

(c) To make advances.....

(d) To ship or consign for sale.. .....

(e) To raise or borrow from time to time in the name or otherwise on behalf of the company such sums of money as the managing agents may from time to time think expedient either by bonds deposit receipts or promissory notes or opening accounts current with or without securities or in any other manner as they may deem best and for the purpose of securing the repayment of any money so borrowed with interest to make and carry into effect such agreements as they mad deem fit.

(f) To draw make endorse.....

(g) To enter into all pecuniary arrangements.....

(h) To insure and keep insured.....

(i) To invest and deal with the moneys of the company not immediately required, upon such securities or to deposit same with such banks, shroffs, companies or persons including the secretaries treasurers and agents themselves and also the managing agents and in such manner as may from time to time be determined and from time to time vary or realise such investment.

(j) To commence institute.....

(k) To refer to arbitration any question.....

(l) To purchase take or lease exchange hire or otherwise acquire any real and personal property and rights and privileges which the company may think necessary or convenient for the purpose of its business and to purchase any building and other materials and things already erected or purchased by him and generally to purchase land with or without buildings and easements.

(m) To open accounts current or fixed with any bank or bankers shop or shops merchant or merchants or with any company firm or firms individual or individuals or the officers

and servants of this company and pay money into and draw money from any such account from time to time as the managing agents may think fit.

(n) To incur from time to time such expense.....

(o) To appoint and employ.....

(p) To entrust to any person they deem just all or any of the powers given by both the Memorandum and Articles of Association of this company.

(q) To give any person employed by the company a commission on the profits of any particular business or transaction or a share in the general profits of the company and such commission or share or profit shall be treated as part of the working expenses of the company.

Note:—In the above form carefully notice the last two lines in sub-clause (a), the whole of sub-clause (b), the first two lines or so of sub-clause (e) and the whole of sub-clause (i).

REPRESENTATION OF AGENCY FIRM ON BOARD.

Clauses 6, 7, 8 and 9 are more or less uniformly followed as in case of the agency agreement given in the beginning. We shall thus now take up clause 10 in the said form in which as usual it is provided that a certain number of directors are to be co-opted to the Board as nominees of the firm of managing agents who hold office until requested to retire by the said firm of managing agents and are not bound to retire by rotation. It is also usual here to provide that these nominees will not hold qualification shares. In some cases besides providing for nominees of the managing agencies it is also provided that the *ex-officio* directors shall also be *ex-officio* chairman, directors and that in addition to the nominated directors there shall be special directors. This form runs as follows.—

"One director of Messrs. A. B. & Co., Ltd., nominated by them in writing to be *ex-officio* director of the company and as such to be *ex-officio* also the chairman of the directors. The managing agents have also to appoint and from time to time remove and re-appoint one other person whether a member of Messrs. A. B. C. & Co., Ltd. or not as a director of the company who shall be called special director. The *ex-officio* director and special director nominated and appointed by the managing agents as aforesaid shall not be required to hold the qualification shares prescribed by the articles of association of the company in the case of other directors of the company not such *ex-officio* director and special director shall be liable to retirement by rotation or to be removed from their office as such *ex-officio* director and special director notwithstanding anything contained in the Articles of Association of the company."

There are cases where these nominees of the agency firm or *ex-officio* directors are required to hold qualification shares, where the clause runs as follows:—

"At least two members of the said firm shall be the *ex-officio* directors of the company and shall represent the firm of managing agents. The *ex-officio* directors shall themselves procure the qualification shares for being directors of the company."

There are cases also where specific members are named and it is provided that they shall always be *ex-officio* directors. The form runs as follows:—

"Both the members of the said firm Messrs. A. B. C. & Co., shall always be the *ex-officio* directors of the company."

The author came across a form where these nominated *ex-officio* directors were to be appointed not by the firm of managing agents but by the senior partner of managing agents firm or his heirs and this form runs as follows:—

"The company agrees to continue as *exofficio* directors any two persons appointed or named by Mr. X his heirs, etc., and on the same appointment and nomination being duly notified in writing from time to time by Messrs. A. B. & Co., Ltd. so long as it continues to be agents, of the company binds itself to accept such nominee or nominees as *ex-officio* director or directors."

There is a form of clause in some agreements where the *ex-officio* director is compelled to hold shares of a certain nominal value all throughout the time that he acts as the nominated director. This clause runs as follows:—

"One of the members for the time being of the said firm and another member of the said firm or a person appointed by the said firm shall during all such time as the said firm by their successors hold between them shares of the capital of the company of the nominal value of rupees five lakhs by special directors of the company."

The clause 11 in the agreement form in the beginning gives power to the agents to change their names from time to time which is no doubt a necessary power.

BOOKS OF ACCOUNTS.

Most of the clauses in connection with accounts are more or less on the same form as in case of clause No. 8 of the agency agreement given in the beginning. In some rare cases an addition is made such as the following:—

"With due observance of the provision as to the accounts and balance sheets as laid down in the Articles of Association the managing agents shall submit a profit and loss account and balance sheet including a statement of account of their dealings to the company by the 30th of June each year, and thereafter the accounts shall be incapable of being re-opened except when evident errors or omissions are found to have crept therein."

Another alternative variation of this clause contains the wording in addition to the usual wording as follows.—

"And the said firm shall once at least in every calendar month prepare or cause to be prepared from the said books a true and faithful abstract or statement of all such sales proceeds of sale wages receipts and disbursements as aforesaid, and shall cause the same to be submitted to the directors from the time being of the said company for their inspection thereof at every monthly or any other meeting held by them and if the said directors shall so require it at any other time or times."

ASSIGNMENT OF AGENTS OFFICE.

Clause 12 gives the agency firm a power which is now-a-days universally taken, though frequently objected to on grounds of shareholders' right for efficient organisation to have a say on that question in the form in which it is given in the model agreement form given in prior pages in its clauses Nos. 12, 13, 14, 15 and 16. It will be noticed that in the clause 13, the agency firm is also empowered to

concession wholly or in portion of their earnings without losing their appoints as agents.

There is an alternative form as follows:—

"It shall be lawful for the agents to assign their office as agents and all the rights and obligations as such agents and in the event of such assignment the assignee or assignees shall be deemed to have been appointed agents of the company with like powers and authorities remuneration and emoluments and subject to like terms and conditions as are herein contained."

Note:—It will be noticed from the above alternative form that no specific mention is made in the above form as to a fresh agreement being made by the company with new managing agents as is the case in clause No. 12 of the agreement form given in the beginning.

There are however cases where the managing agents have thought it necessary that before assigning they should take some-body's consent and thus a clause is to be found where it is provided in the managing agency agreements to the effect that the assignment should be taken subject to directors' consent. This clause would run as follows:—

"It shall be lawful for the said firm to assign this agreement and the agency constituted thereby to any person firm or corporation with the sanction of the directors (which shall not however be capriciously or vexatiously withheld) and the company shall be bound to recognise such person firm or corporation as the agent or agents of the company as his or their name was inserted in this agreement in place of the said Messrs. K. & Co."

Note:—It will be noted from the agreement form given in the beginning that clause 15 as given there gives any member of the agency firm power to assign the whole of his share or any portion thereof besides the firm itself being empowered to assign its rights. The clause No. 16 in the agreement form given in the beginning further specifies that the retirement or assignment by any partner in the agency firm will not affect the appointment of the said firm as managing agents.

REAPPOINTMENT OF SAME AGENTS BY NEW COMPANIES.

The clause No. 17 in the agreement form given in the beginning provides that in case of the company being wound up with a view to be reconstructed, the same firm of managing agents will be reappointed as managing agents of the reconstructed company. This is also an usual clause to be found in managing agency agreements given in agreement forms.

COMPENSATION CLAUSE.

The above clause being clause No. 18 of the agency agreement given in the beginning is one which provides for a compensation to be paid to the managing agents in case of a company being wound up either voluntarily, compulsorily or under supervision on the expiry of their term of agency. In this clause five times the average annual amount of commission and remuneration earned by the agents during the three years preceding the resolution or order of winding up is provided but there may be and are variations. There are cases where ten times this average amount is provided for.

There are clauses where instead of providing so extensively for all and every type of winding up. The form of winding up in which compensation could be claimed is restricted by expressly stating same as follows:—

"In the event of the company being woud up at any time with the object of entirely ceasing to carry on their business the agency firm shall be entitled to receive, etc...."

There are cases which are very restrained in this connection, *viz.*, those providing that the compensation would be payable only after all the shareholders are paid in full. This clause runs as follows.—

"If the company shall during the continuance of this agreement go into liquidation either voluntarily or compulsorily and not with a view to reconstruction or amalgamation and thereupon this agreement shall be determined the said firm shall be paid as and by way of damages but after all the shareholders shall be paid in full out of the assets of a sum equal to five times the average annual commission for the three years immediately preceding such liquidation."

A special clause frequently provides for payment of compensation in case of removal from office from a cause other than that provided for in the agreement itself. It runs as follows:—

"In the event of the company being wound up at any time with the object of entirely ceasing to carry on their business any longer and not with the object of transferring their business to any other company, or in the event of the removal of the said firm for any reason other than that provided for in clause. I hereof, the said firm shall receive from the company or the liquidators thereof, as compensation for the loss of their employment as such agents as aforesaid, a sum of money equivalent to etc...."

Sometimes a sum of money is provided for by way of compensation for loss of employment in case of liquidation and otherwise and further words are added as follows:—

"The said sum of money to be paid to the said firm as aforesaid shall be considered as and by way of liquidated damages without any proof of any actual damage sustained by the said firm and the said amount shall attach as a lien on the company's assets and properties."

Frequently a clause takes the form of a compensation being paid before the firm can be asked to withdraw from that position as agents. This runs as follows:—

"In the event, however, of the company requesting the firm of agents to cease to carry on their business as agents for any reason whatever and the said firm of agents also wishing thereon to cease working as agents the said agents shall before handing over the charge of the company's property and business receive and be paid from and by the company or its substitutes as compensation for the loss of their employment as such agents a sum of money equivalent to ten times the commission earned by the agents for the working year preceding the resolution and the request by the company or its substitutes."

COMPENSATION IN THE EVENT OF THE AMENDMENT OF COMPANY'S ACT.

A peculiar development through the constant agitation for the amendment of company's Act which has taken place of late is the invention of a clause such as the one given below which the author

has come across in one of the agency agreements. Here instead of providing for a compensation on a breach of agreement of agency by the company or on removal of agents for their incapacity as agents or through the company going into liquidation, a further incident is added, *viz.*, that if the agents have to give up their office as managing agents by reason of the amendment of the Indian Company's Act so as to do away with or abolish the agency system, which is now in vogue, the firm of agents would be compensated.

This clause runs as follows:—

"If at any time during the continuance of this agreement the company desires and calls upon the said firm to give up their office as managing agents or the said firm has to give up their office as such managing agents by reason of the Indian Companies Act being amended or altered so as to do away with or abolish the system now in vogue as regards the appointment of managing agents for the companies governed by the said act or so as to affect the position of the said firm as managing agents of the company hereby made or otherwise howsoever, the firm shall be entitled to receive from the company and the company shall pay to the said firm as compensation for the loss of their employment as such managing agents as aforesaid a sum of money equal to ten times the average annual commission earned by the said firm under the agreement during the period of five years preceding the loss of such employment if the company shall have so long existed or ten times the average annual commission earned by the said firm during the years preceding such loss of employment if such loss of employment were to occur within the period of five years."

ARBITRATION CLAUSE

The arbitration clause is the usual clause to be found in almost every agreement by which instead of the matter in dispute being referred to Court, the agreement provides that the same may be referred to arbitration under the Indian Arbitration Act, 1899. The form as given in clause 19 of the agency agreement given in the beginning is the usual clause to be found in all agency contracts.

AGENTS' UNDERTAKING.

There are special clauses in the agency agreements in which agents give undertaking of various types such as not to compete or enter into competitive business with the company, not to divulge secrets in connection with the business, etc.

They run as follows.—

CLAUSE NOT TO COMPETE.

"The said firm during the said term be and act as the agents of the said company for the remuneration hereinbefore mentioned and upon and subject to the terms and conditions herein contained and will use their best endeavours to promote the interests and business of the said company and will not divulge or make known any of the secrets or affairs thereof. And the said firm will not during the said term assist either directly or indirectly in the promotion of any company in British India having for its objects the manufacture or sale of pig iron or steel or in any way calculated to

compete with the said company and will not either directly or indirectly as the agents of any such other company."

CLAUSE NOT TO DIVULGE THE SECRETS, ETC.

"The said firm shall faithfully and diligently and honestly and to the best of their ability and power transact do perform and superintend all such matters and things relating to the business and affairs of the said company or for carrying out its objects as may from time to time be assigned or entrusted to them by the directors of the company or as may be vested in them as such managing agents under the Articles of Association or the Regulations of the Company and they shall in all respects conform to and comply with lawful and reasonable orders directions and regulations issued given and made by the directors of the company and shall well and faithfully serve the company and use their best endeavours to promote the interests thereof"

UNDERTAKING TO FURNISH A WHOLE-TIME MAN AS SUPERVISOR.

"The said firm shall do the work of the said company as such managing agents and manage the business of the said company under the orders and control of the directors as provided in the Articles of Association of the said Company as subsisting at the time of the execution of these presents or as hereafter altered and amended according to law and for the purpose of such management shall at all time make available the services of a whole time man who shall be either one of the members of the said firm or a person employed and paid by the said firm."

CLAUSES RE-SUBSIDIARY SERVICES BY AGENTS.

Frequently powers are taken in the agency agreements by the agents under which they are entitled to enter into contracts with the company and render to the company various subsidiary services such as buying and selling goods, machinery, accessories, etc. These clauses take various alternative form which are given as follows:—

"The agents' firm is expressly allowed and generally to work for and contract with the company and especially to do the work of agents and managers of the campany and also to do any work for the company upon such terms and conditions and under renumeration as may from time to time be agreed upon between them and the directors of the company.

That the agents firm is entitled and authorised to work in Ahmedabad or elsewhere as buying and sellings agents for cotton yarn cloth, machinery and accessories and stores of every description and all other articles for the company and for this the said agents' firm shall be entitled to receive remuneration in addition to the commission mentioned above.

The agents' firm is authorised to deal with the firm or firms in which they or any of them or all are directly or indirectly interested, either as complete or partial owners, partners or profit sharers or commission agents, while dealing with the affairs of the company, in management financing sale or purchase of articles etc."

ALTERNATIVE CLAUSE.

That the managing agents or the agents' company is entitled to and authorised to work in Ahmedabad or elsewhere as buying and selling agents for cotton yarn cloth machinery accessories and stores of every description and all other articles for the company, and for this the said agents' firm or its partner shall be entitled to receive remuneration in addition to the commission mentioned above. That Mr. X and Mr. Y are further entitled to do their private business as mill agents mill gin store suppliers and cloth and cotton merchants either solely or in partnership and as such they shall be entitled to contract with the Company."

ALTERNATIVE CLAUSE.

"The said firm shall be entitled to such additional remuneration for acting as the selling shipping landing and commission agents and as muccadams and brokers of the company and in the case the company shall at any time hereafter carry on business other than that of spinning cotton and manufacturing yarn and cloth the said firm shall be entitled to such further remuneration as may be agreed to between them and the directors."

ALTERNATIVE CLAUSE.

"The said firm and every member thereof individually shall be at liberty to enter into contracts with the company without accounting for the profits made in such contracts which shall belong to the firm or the individual members thereof so entering into such contracts as aforesaid."

ALTERNATIVE CLAUSE.

That no member of the said firm shall by reason of such his membership be prevented from holding any office of profit in the company such as office of mill manager, engineer, secretary, treasurer or otherwise.

That the firm of any of its partners shall be entitled to such additional remuneration for acting as muccadams, brokers buying agents or sellings agents of the company for the sale of yarn cloth or other goods as shall be agreed to between them and the directors.

That in the vent of the company sending any yarn or cloth or other manufacture or goods of the company outside Ahmedabad for sale through any of the branches of the firm or its partner to whom such goods may be sent for sale shall be entitled to charge to the company and the company shall pay to them the usual commission on such sale which shall be exclusive of and in addition to the agency commission payable to the firm under clause, hereof in respect of the goods so sold.

ALTERNATIVE CLAUSE.

During the tenure of their office the firm shall be entitled to work for and contract with the company and especially to do the work of and act as buying and selling agents mucadams and brokers shipping landing and commission agents or agents for selling the company's products or any other production or to do any other work of the company upon such terms as may be agreed between them and the directors and also to purchase and sell to the company any land or other property machinery stores sugar cane or other crops or

produce sugar and other products and articles and things without being accountable to the company for any profits made by them.

MANAGEMENT BY AGENTS' REPRESENTATIVES.

Frequently clauses in agency agreements take power under which they hand over or declare to have handed over the management of the company to one of their representatives. These clauses take various forms such as the following:—

"That as the agents' firm (Company) by its memorandum and articles of association and the agreement entered into between itself and its managing agents said Mr. X. has handed over to the said Mr. Y his heirs executors administrators assigns substitutes nominees representatives etc., the sole and exclusive management of the agents' firm and on their behalf of this company this company entrusts him his heirs executors administrators assigns substitutes nominees representatives etc., with all authority powers privileges and rights to be exercised by the agents and the said Mr. X his heirs etc., shall perform all duties and do all business and work on behalf of the company and shall be the sole managing and changeable agents of the company and because thereof said Mr. X etc. and such person or persons who he should choose to appoint shall exclusively have the right to sign as secretaries treasurers and agents either in his or their own name or in the name of Messrs. X. Y. & Co., Ltd, on behalf of this company and the company shall endow such person or persons whom the said Mr. X should choose to appoint as managing agents with such powers as he likes.

The powers hereby vested in Mr. X as managing agent will not be affected and he will have the right to take any partner or partners with him in the management and his or the position of such partnership will not be affected or altered by such change or changes that may take place by addition of new partners or by death or retirement of any partner or partners from time to time. It shall be lawful for Mr. X to change the name and style in which he acts as managing agents from time to time."

AGENTS TO ACT AS RANKERS, OR FINANCIERS.

The clauses are also to be found in connection with the agents transaction for financing the company providing for interest at a fixed rate and for loans to the company. They are as follows:—

"The agents firm may at their option from time to time lend and advance to and for the use of the company money to any extent as it may like to run and the money so lent shall bear interest at a rate not less than six per cent. per annum over and above the usual adat.

The Company shall pay or allow to the firm interest at such rate not exceeding seven per cent. per annum as may be agreed between the firm and the directors of the company on the amount of all advances which may from time to time be made by the firm to the company."

COMPENSATION TO AGENCY FIRM ON SALE OF COMPANY'S PROPERTY.

We have already seen clauses providing for compensation in connection with termination of agency agreements in case of winding up of the company. There are also clauses providing for compensation to agents in case of sale by the company of its property and

through such a sale the agency terminating. They run as follows:—

SALE ON PAYMENT OF COMPENSATION.

"In case the Company shall sell its factories premises and machinery and the business thereof during the pendency of these presents the agents shall be entitled to receive as compensation and the company shall pay to the agents a sum of money equal to the amount earned by or paid or payable to the agents by the company during seven years preceding such sale of these presents shall have been in force as long as and if not then a sum of money equal to seven times the average annual amount earned by or paid or payable to the agents."

COMPENSATION ON AMALGAMATION.

"In the event of the said company being wound up on any ground amalgamated or transferred or on the ground of the said firm from their office of the managing agents of the said company for any reason other than they being found guilty of fraud or misconduct in the management and discharge of their duties the said firm shall be entitled to receive and shall receive out of the assets of the said company as compensation for the loss of such appointment as managing agents of the said company as aforesaid a sum of money equal to the amount earned by the said firm during the five years preceding the winding up amalgamation or transfer of the said company or the removal of the said firm if the said company shall have so long existed."

A SPECIAL CLAUSE RESTRICTING ASSIGNMENT OF AGENTS.

It is very seldom that one finds in agency agreements a special clause which prevents the agents or all the partners of the agency firm from alienating, mortagaging or assigning their share or interest. The precedent of a clause which the auditor has come across runs as follows:—

"Neither the agents nor any partner or partners thereof for the time being shall alienate mortgage charge or assign their or his interest in the agency of the benefit arising from these presents."

REIMBURSEMENT OF PRELIMINARY EXPENSES.

Sometimes a clause is inserted in the agency agreement providing for the re-payment to the agents by the company of all preliminary expenses. This clause runs as follows:—

"That the said agents' firm shall be paid by the company all moneys, bills or charges spent or to be spent by them in promoting the company and that the sum so given be put down as preliminary expenses of the company.

ALTERNATIVE CLAUSE.

"That the said managing agents shall pay out of the moneys of the said company all preliminary charges and expenses salaries, commission etc., legal or otherwise incidental to the formation of the said company."

CHARITY CLAUSE.

A clause sometimes provides for a certain percentage of the agents commission being credited to charity account and spent for purposes of charity. This runs as follows:—

"Out of the total amount of commission earned by the agents, 2½ per cent. shall be first deducted and credited to the Charity Account in the books of the company and it shall be spent at the sole discretion of the Agents in the purpose thought fit by them."

AGENTS' GUARANTEE TO INDEMNIFY.

This clause runs as follows:—

"The said managing agents shall indemnify the company against all claims, losses or damages caused by the acts of the managing agents in the course of their employment as such managing agents in a sum not exceeding Rs. 32,000.

(a) The said managing agents shall also keep the said sum of Rs. 32,000 available for the company whenever any emergency arises, provided that whenever the managing agents make the sum of Rs. 32,000 or any portion thereof available to the company then during such periods the said sum shall be invested by the company in fixed deposits with first rate banks and the interest thereon be paid to the managing agents

(b) the said managing agents shall be bound to reimburse the company in respect of any deficiency in the said sum of Rs. 32,000 set apart for the company whenever so required by the company.

(c) In the event of the said Managing Agents not being possesed of funds to the extent of Rs. 32,000 then the Members of the Company of Managing Agents shall be personally liable to the extent of their interest in A. B. & C. Co., Ltd., in a sum not exceeding in total Rs. 32,000.

ALLOTMENT AGREEMENT.

An agreement made and entered into this.....day of ....193.....Between D. E. F of Bombay, Parsi residing at A B within the Fort of Bombay thereinafter called "the promoter" which expression shall unless excluded by or repugnant to the context include his heirs executors and administrators) of the one part and L. M. N. Limited, a Company incorporated in Bombay as a private limited company under the Indian Companies Act 1913, and having its registered office situate at.....Bombay without the Fort of Bombay (hereinafter called "the Company" which expression shall unless excluded by or repugnant to the context include its successors and assigns) of the other part.

Whereas the Promoter negotiated with the L. M. N Co., Limited of London England, (herein after called the "English Company") and obtained from them valuable sole agency rights for carrying on the business of dealers agents and distributors of.....and other products, goods materials articles and things in India (including Native States) and Burma. *And Whereas* at the instance of the Promoter and by his efforts a draft agreement has been drawn up between the English Company of the one part and the Company of the other part for appointment of the Company as the sole selling agents and distributors of.....and tools and other products, materials and articles and things upon the terms and conditions therein set out and which agreement is intented to be executed.

And Whereas the Company has recently been incorporated under the Indian Companies Act 1913 and one of the principal objects of the Company is to carry on the business of dealers, agents and distributors of.....and other products of the English Company and to enter into the aforesaid agreement which is referred to in clause.....of the Company's Articles of Association.

NOW THIS INDENTURE WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO in manner following:—

1. In consideration of the premises and of the services rendered by the Promoter *inter alia* in obtaining for the Company the sole agency and distributing rights of.....and other products and materials and articles and things of the English Company and of the execution of the hereinbefore recited agreement between the English Company and the Company for appointment of the Company as such sole agents and distributors as aforesaid the Company hereby agrees to issue and allot as fully paid to the Promoter and at his request and direction to Mr. X 225 shares of the Company of Rs. 100 each in the manner following:—

150 shares of Rs. 100 each to the Promoter.
75 shares of Rs. 100 each to Mr. X.

The Company will proceed to make such allotments immediately on the execution of the said agreement between the English Company and the Company and referred to Clause 3(a) of the Company's Articles of Association.

2. The Promoter has provided the necessary office accommodations, stores and staff for the Company incurred expenses and done all the acts and things of an incidental to the formation of the company.

3. The Promoter will at all times hereafter do and perform all such acts and things as the Company may reasonably require him to do and perform for more effectively vesting the said sole agency and distributing rights and products and materials and things in the Company.

4. The Company shall pay to the promoter all the costs of and incidental to the preparation and execution of this agreement and of the Memorandum and Articles of Association of the Company and of the registration thereof and all stamps, fees, and legal expenses incidental to the formation of the Company and generally all preliminary expenses whatsoever incurred by him in relation to the company and in connection with the formation thereof.

5. The validity of this agreement shall not be impeached on the ground that the Promoter as promoter or otherwise attends in a fiduciary relation to the company and that the directors or some of them having accepted offices at the request or on the nomination of the Promoter do not constitute an independent board.

6. The company shall cause this agreement to be duly filled with the Registrar of Companies pursuant to Sec. 104 of the Indian Companies Act 1913 in due course.

IN WITNESS WHEREOF the said D. F. E. has put his hand and seal and the Company have hereunto affixed their common Seal the day and year first above written.

Signed sealed and delivered by the within-named D. E. F. in the presence of.....

The Common Seal of the L. M. N. Ltd. was affixed pursuant to a Resolution of the Directors of the Company dated day of 193 . in the presence of.....

ALLOTMENT AGREEMENT.

AN AGREEMENT made the twenty-seventh day of August one thousand nine hundred and seven between A., B., C., D., and E all of Bombay (hereinafter referred to as "the parties hereto of the first part" which expression shall unless excluded by or repugnant to the context be deemed to include each of the persons named and their and each of their heirs executors administrators and assigns) of the first part and the Jamshedpur Iron and Steel Company, Limited a Company registered under the Indian Companies' Act, 1913 and having its Registered Office situate in Bombay (hereinafter referred to as "the Company" which expression shall unless excluded by or repugnant to the context include the Company and its successors and assigns) of the second part *whereas* the Company has been formed and registered in Bombay on the.....day of .....with a nominal capital of Rupees.... ..... divided into.....Ordinary Shares of Rupees.....each..... six per cent. Cumulative Preference Shares of Rupees.....each and.... .....Deferred Shares of Rupees.... .....each *and whereas* the parties hereto of the first part have for a considerable time past been assisting Messrs. X. Sons and Company in promoting and forming a company (being this Company) for the purpose of establishing Iron and Steel Works in India *and whereas* by the Memorandum and Articles of Association of the company power is given to the company and the directors respectively to remunerate any person or company for services rendered in or about information or promotion of the Company and to allot and issue Shares in the capital of the company as fully paid up Shares as payment or part payment for such services *and whereas* it has been agreed that..... Ordinary Shares of the Company should be allotted as fully paid up to the parties hereto of the first part as remuneration for their services in and about the formation and promotion of the Company and that the parties hereto of the first part should be entitled to subscribe for and receive an allotment of.. .....Deferred Shares of the Company upon the same terms as to payment and otherwise as applicants for Ordinary Shares in the Company in the terms of the Company's Prospectus *and whereas* this Agreement has been set out and referred to in the said Prospectus and in the Articles of Association of the Company to which a copy of this Agreement is sub-joined by way of Schedule G and under the said Articles it is provided that the Company should forthwith after registration seal this Agreement *and whereas* the parties hereto have requested the Company to allot to them the.....Ordinary Shares so agreed to be allotted as aforesaid in the proportions set out against the names of the several parties in the Schedule hereunder written NOW IT IS HEREBY AGREED BY AND BETWEEN the said parties hereto of the first part and the Company each of the parties hereto of the first part contracting for himself and his heirs executors administrators and

their being interested in the underwriting, until after the expiration of.....days from this date.

Time for allotment.

7. Any allotment hereunder be made within .....months from the date hereof.

(Signature of underwriter).

(FORMS AND PRECEDENTS by Underhill.)

FORM OF AGREEMENT FOR ACQUISITION OF RIGHTS AND CONCESSIONS BY A COMPANY FROM A SYNDICATE.

ARTICLES OF AGREEMENT made and entered into this..... day of.....One thousand nine hundred.....BETWEEN A. B. C. and D. the members of a Syndicate formed in Bombay under the name and style of the B. Syndicate (hereinafter called "the Syndicate" which expression shall unless excluded by or repugnant to the context be deemed to include The B Company Limited and each of them their and each of their heirs executors administrators and assigns) of the one part and The B. Company, Limited, a company registered under the Indian Companies Act 1913 and having it Registered Office situate in Bombay (hereinafter called "the Company" which expression shall unless excluded by or repugnant to the context be deemed to include The B Company Limited and its successors and assigns) of the other part *whereas* the Syndicate has for some time past been engaged in conducting researches in India for the purpose of ascertaining whether it is practicable to establish on a profitable scale an industry for the manufacture of hydraulic lime and cement in India and has in connection therewith and with the works hereinafter mentioned incurred considerable expense (amounting at the date of these presents to the sum of Rupees. ..... , and with a view to such enterprise the Syndicate secured from the D. of the B. State in Rajputana in the name of the said A. B. and C. (the then partners in the firm of Messrs. E F. and Company of Bombay) the rights and concessions comprised in and conferred by a certain Prospecting License dated the..... .....day of .....which comprise the right to enter upon the lands described in the Schedule A thereto and in the Schedule hereunder written and to mine quarry bore dig search for win and work any lime cement building or similar stones lying or bing within or under or throughout the said lands and to carry away and dispose of the produce thereof to and for the use and benefit of the licenses for and during the period named in the said Prospecting License but subject to all and singular the royalties reservations covenants powers and conditions by and in the said Prospecting License reserved and contained and the now reciting Prospecting License contained amongst other things a covenant by the B. D. that on or before the determination of the license the licensees should have the right (subject to the rules prescribed by the Government of India for granting mining leases) to a mining lease in accordance with the terms containing in the said rules to such area not being less than two square miles as the B. D. might think fit to grant together with free right of access from the public road or from the Nagda Muttra Railway by means of tramways railways or otherwise *and whereas* in connection with their undertaking the Syndicate has constructed at or in the neighbourhood of L. village certain kilns and sheds and a bungalow and other build-

ings and has erected and set up an engine and grinding machinery and the Syndicate has partially constructed a tramway three miles in length to connect the quarries comprised in the said Prospecting License with the special station on the Bombay Baroda and Central India Railway System now under construction to serve the proposed lime and cement works *and whereas* the Syndicate has been instrumental in preparing a scheme for the incorporation and flotation of a Company (being the Company) for the purpose of taking over and working the rights and concessions so acquired by the Sydicate and its said kilns sheds bungalow buildings engine machinery and partially constructed tramway as aforesaid *and whereas* the Syndicate applied to the D. of the B. State to grant to the Company direct a mining lease under the terms and provisions of the hereinbefore in part recited Prospecting License of and relating to the area hereinafter particularly described and a letter No.....of the.. ..... day of.....a....addressed by the Prime Minister of the B. State to the beforementioned firm of Messrs. E. F. and Company as Agents of the Sydicate the Prime Minister of the B. State informed the Syndicate that he was authorised by His Highness of B. to State that provided a Limited Company under the Indian Companies Act of 1913 was formed by the Syndicate and in consideration of fully paid shares in the said Company when formed equivalent in value to five per cent. of the registered capital of the Company being allotted to the D. he agreed and undertook (1) to grant and sign a lease in favour of the said company when formed or as soon thereafter as possible on the terms and conditions of the draft lease therein referred to (2) to grant to the company when requested further leases for additional areas for the same materials on the same terms and on the same conditions as the said draft lease the company paying to the D. the Royalty of Rupees.... ..per..... cubic feet of stone utilised as therein provided and should the Company be unwilling to pay such Royalty the D to be at liberty to grant a concession to other parties but not on lower or more-favourable terms (3) that subject to the conditions of the last preceding Clause no other person or persons or company should be granted any lease or concession of a similar nature to work or obtain similar material to the concession granted to the Syndicate within the boundaries of the B. State during the term of the lease therein referred to; and (4) that the company should have the exclusive right to prospect for and if found work for their own purposes any other stone mineral or other substance (except precious stones) within the area of B. State during the term of the said lease on the terms and conditions set forth in the lease *and whereas* the draft lease referred to in the above quoted letter of the Prime Minister provides for the demise by the D. of the B. State to the company for a period of thirty years renewable as therein mentioned of the mines quarries beds veins and seams of lime cement building or similar stone within and under the land containing an area of approximately.....miles situate lying and being in the State of B. in X. bounded on the North by I and tributaries of the M. and C. Rivers running approximately parallel to and one mile from the escarpment of the Hill Range on the South by the M. River on the West by the M. River and on the East by the N. M. Railway *and whereas* the Syndicate accepted the terms contained in the above quoted letter from the Prime Minister of the B. State and forwarded

to the Prime Minister a fair copy of the draft of the proposed lease containing certain minor alterations and additions which had been agreed to therein but which did not affect the main provisions of the lease last hereinbefore referred to and by his letter No..... of the day of.....also addressed to the said firm of Messrs. E. F. and Company as Agents of the Syndicate the Prime Minister returned the fair copy draft lease sealed as approved with the Seal of the B. State and stated that the same might be taken to be the draft referred to in Clause (1) of his letter No..... of.....day of.....and whereas the Company has been formed and registered under the Indian Companies Act 1882 on the.....day of.....with a nominal capital of Rupees.....divided into.....Ordinary Shares of Rupees.....each with the following amongst other objects (1) to acquire from the parties interested therein, take over and work upon such terms as might appear conducive to the interests of the company all the property rights and concessions in the State of B. in Rajputana conferred upon the Syndicate by the Prospecting License specified in the Agreement first referred to in Article 3 of the Articles of Association of the Company and to take over and acquire the whole of the assets of the said B. Syndicate in connection with the business theretofore carried on by the Syndicate under the said Prospecting License including 'all plant machinery goods chattels and 'effects contracts cash and other property vesting in the Syndicate in connection therewith and to undertake all the liabilities of the said B. Syndicate in connection with such business and to pay therefor either in cash or in shares of the company or partly in one and partly in the other with the object aforesaid to adopt become parties to enter into and carry into effect all such agreements guarantees deeds and instruments as might be necessary or as might be deemed advisable or proper and in particular to become parties to enter into and carry into effect (with or without modification) the Agreements and the Indenture of Lease which had already been prepared and are referred to in Article 3 of the said Articles of Association (2) to carry on all or any of the businesses of manufacturers of and dealers and workers in cement lime plasters whiting clay bauxite soapstone ochres paints fixing materials gravel sand bricks artificial stone and manufacturers' builders' and dyers' requisites and conveniences of all kinds (3) to provide funds for the investigation of the question of whether cement can be profitably made in India for endeavouring to discover places there where it can be so profitably made and for working the business of the manufacture in India and the sale of cement (4) to purchase take on lease or in exchange or otherwise acquire either absolutely or by lease license concession grant or otherwise any lands mines mineral or quarrying rights easements rights and privileges and to search for stone clay ores and minerals mine and grant licenses for mining or quarrying in or over any lands which might be acquired by the company and to lease any such lands for building or agricultural use and to sell or otherwise dispose of the lands mines or other property of the company and (5) to work mines or quarries and to find win get work crush melt manufacture or otherwise deal with lime-stone chalk clay bauxite soapstone ores metals minerals precious and other stones or deposits or products and generally to carry on the business of mining in all its branches and whereas subsequent to the date

of the letters from the Prime Minister of the B. State above quoted it was agreed that the D. of the B. State should have the right to nominated the D. of the B. State for the time being to be a Director of company and provision to that effect has been made in the Articles of Association filed at the time of the registration of the company *and whereas* the draft of the Mining Lease to be granted by the D. of the B. State to the company has now been finally approved by the Prime Minister of the B. State on behalf of the said State and the draft of such lease is specifically referred to under Article 3 (b) of the Articles of Association of the Company a copy thereof being sub-joined to the said Articles by way of schedule B and such Lease will be completed as soon as the approval of Government to the form thereof is received *and whereas an* Agreement has already been prepared between the Company of the first part the Syndicate of the second part and the D. of the B. State of the third part being an agreement for the allotment to the D of the B. State as fully paid up of five thousand Ordinary Shares in the Capital of the Company of the nominal value of Rupees... each being the consideration to the D. on behalf of His Highness of B. for the grant of the beforementioned lease and for conferring upon the D. the right to nominate the Dewan for the time being of the B. State as a Director of the company *and whereas* the consideration for the transfer by the Syndicate to the Company of the beforementioned rights and concessions and the said kilns sheds bungalow buildings engine machinery and partially constructed tramway and the other assets of the Syndicate hereinbefore referred to has been fixed at Rupees One hundred and fifty six thousand to be satisfied by the payment in cash of the sum of Rupees .. . in refund in a lump sum of the expenditure incurred by the Syndicate and the allotment to the Syndicate as fully paid up of . . .. Ordinary Shares in the Capital of the company of the nominal value of Rupees.....each and the undertaking by the Company hereinafter contained to pay satisfy discharge and fulfil the debts liabilities and engagements of the Syndicate as at the date of these presents *and whereas* these presents form and constitute and Agreement referred to in Article 3(a) of the Articles of Association of the Company *now these presence witness* and it is hereby mutually covenanted and agreed by and between the parties hereto in manner following, that is to say.—

1. The Syndicate shall at the expense of the Company in all things do and concur in all acts necessary or expedient for the purpose of transferring and making over to the Company or as the Company may direct the rights and concessions comprised in and conferred by the hereinbefore in part recited Prospecting License and all and Singular the kilns sheds bungalow and buildings so constructed by the Syndicate at L. Village and the engine and grinding machinery set up and erected as aforesaid and also the tramway now under construction by the Syndicate in connection with their undertaking and all and Singular the other assets goods chattels and effects contracts cash and other property vesting in the Syndicate in connection with business heretobefore carried on by the Syndicate under and in connection with the said Prospecting License and the Syndicate shall at all times hereafter at the like expense do and concur in any further acts which may be necessary or expedient for the purpose of such transfer.

2. The Syndicate shall also make over to the Company or as the Company may direct all reports estimates tests analyses correspondences and all other papers obtained collected or got together by the Syndicate or in its control connected with the proposed establishment of an industry for the manufacture of cement in India and any of the matters rights benefits and advantages aforesaid and shall furnish all information in its power connected therewith.

3. The Company shall with the least practicable delay at its own expense in all respects do all things necessary to procure the completion of the Mining Lease particularly referred to in Article 3 (b) of the Articles of Association of the Company in terms of the copy of such lease subjoined to the said Articles by way of Schedule B. or with such modifications in the form thereof as may be mutually agreed between the Company with the consent of the Syndicate and the D. of the B. State.

4. The Company shall also in like manner do all things necessary to procure the completion of the Agreement particularly referred to in Article 3(c) of the Artcles of Association of the Company in terms of the draft of such Agreement a copy whereof is subjoined to the said Articles by way of Schedule C. or with such modification in the form thereof as may be mutually agreed between the Company with the consent of the Syndicate and the D. of the B. State.

5. The Company shall forthwith after the due completion of the said Mining Lease pay to the Syndicate in cash the sum of Rupees.....and allot to the Syndicate or its nominees ... .Ordinary Shares in the Capital of the Company of the nominal value of Rupees..... ...each and all credited as fully paid up.

6. The Company shall before the issue of any of the fully paid up shares mentioned in Clause 5 hereof file a proper Agreement in regard thereto with the Register of Joint Stock Companies Bombay in compliance with Section.....of the Indian Companies' Act 1913.

7. The Company shall forthwith after the due completion of the said Mining Lease and of the Agreement particularly referred to in Clause 4 hereof file such Agreement with the Registrar of Joint Stock Companies Bombay and allot to the D. of the B. State or its nominee or nominees.....Ordinary Shares in the Capital of the Company of the nominal value of Rupees .....each and all credited as fully paid up.

8. The Company shall pay all costs of and incidental to the preparatoin printing and execution of the Memorandum and Articles of Association of the Company and the Registration thereof and the cost of preparing printing circulating and adversiting the Prospect inviting subscription to its initial capital and all stamps fees and legal expenses and generally all preliminary expenses whatever incurred in relation to the incorporation and registration of the Company including the costs and legal expenses of and incidental to the preparation of this Agreement and the Indenture of Lease and other Agreements which are referred to in the said Prospectus as intended to be entered into by the Company and the costs and legal expenses of and incidental to carrying the same into effect.

9. The Company hereby covenants with the Syndicate that the Company will at all times hereafter pay all rents or royalties payable under, and observe and perform and be bound by all agree-

ments covenants and conditions binding on the Syndicate by the said Prospecting License Mining Lease and concessions and will hold harmless and indemnified the Syndicate and the respective Partners or Members for the time being therein and their and each of their estates and effects from and against all claims in respect of any obligations imposed on the Syndicate by such Prospecting License or concessions or any of them.

10. The Company hereby undertakes to pay satisfy discharge and fulfil all the debts liabilities contracts and engagements of the Syndicate in relation to the business heretobefore carried on by the Syndicate under the said Prospecting License, particulars whereof are set out in a list prepared as of the date of this Agreement and signed on behalf of the Syndicate and the Company and the Company hereby agrees to indemnify the Syndicate from and against all and every the obligations of the Syndicate in respect of any such debts liabilities contracts and engagements, the Syndicate hereby covenanting and agreeing with the Company that the Syndicate will at all times indemnify the Company against all contracts liabilities and engagements of the Syndicate other than those specified in the list herein before referred to.

11. All books of account of the Syndicate in connection with the beforementioned business and all other books and documents of the Syndicate except such as relate exclusively to the private affairs of the Syndicate shall be forthwith delivered by the Syndicate to the Company and the Company shall thenceforth be entitled hereto for the purpose of carrying on its business.

12. No objection shall be taken to this Agreement or to its being entered into by the Directors of the Company on the ground that any of the said Directors are interested in the shares to be allotted as hereinbefore provided or that any of the Directors stand in a fiduciary position towards the Company or that the Directors do not in the circumstances constitute an independent Board or that the consideration for this Agreement has been fixed by the parties hereto of the first part.

13. The firm of Messrs. E. F. and Company shall be the Agents of the Company for the period and upon the terms and conditions contained in the Agreement referred to in Article 3(d) of the Articles of Association of the Company and during such time as the said Firm shall hold the Office of Agents of the Company one member of such Firm shall be *ex-officio* a Director of the Company and shall also be *ex-officio* Chairman of the Board of Directors.

14. It is hereby expressly agreed that nothing in this Agreement contained shall be deemed or construed to in any way restrict the benefits conferred upon the said A. B. C. and D. partners in the firm of Messrs. E. F. and Company by the Agreement referred to in Article 3(d) of the Articles of Association of the Company under which the said firm of Messrs. E. F. and Company are appointed the Agents of the Company.

15. In the event of any dispute or difference at any time arising between the Syndicate and the Company in respect of this Agreement or the several matters specified herein or with reference to anything arising out of or incidental hereto such dispute or difference shall be submitted to and be decided by the arbitration of two Arbitrators one to be named by each party to the dispute or difference which Arbitrators shall appoint an Umpire before taking upon them-

selves the burden of the reference and this agreement shall be deemed to be a submission to the arbitration of two Arbitrators within the meaning of the Indian Arbitration Act 1899 and all the provisions of that Act (except as hereby expressly varied) or of any Act of the Legislature passed in substitution therefor or in modification thereof shall be deemed to apply to any reference hereunder.

IN WITNESS WHEREOF the several persons parties hereto of the first part have hereunto set their hands and the Common Seal of the B. Company. Limited, has been hereunto affixed the day and year first above written.

SPECIMEN FORM OF AGREEMENT OF SERVICE AS MANAGING DIRECTOR.

ARTICLES OF AGREEMENT made and entered into this twenty fourth day of April One thousand nine hundred and thirty between the A. B. Company, Limited a Joint Stock Company incorporated and registered under the Indian Companies Act, 1913 and having its registered office at Bombay, (hereinafter called the said Company which expression where the context so admits or requires shall include its successors or assigns) of the one part and X. Y. of Bombay Parsi Inhabitant of the other part *where it is agreed* as follows:—

(1) The Company will employ the said X. Y. and the said X. Y. will act as the Managing Director of the Company for a period of five years as from the tenth day of April Nineteen-hundred and thirty.

(2) During the continuance of this agreement the said X. Y. shall devote as much of his time as is necessary or desirable to devote in the interest of the Company to the business of the Company and shall use his best eadeavours for the promotion and interest and welfare of the Company.

(3) The said X. Y. shall perform such duties as the Directors of the Company shall impose upon him from time to time in regard to construction works undertaken by the Company and in particular he shall assist and advise the Company in rspect of construction contracts to be undertaken by the Company and the works to be carried out in pursuance thereof and the purchase of necessary machinery implements, materials and other things which may be required for the construction works undertaken by the Company. He shall superintend the execution of all construction works undertaken by the Company and from time to time report on the progress thereof. He shall prepare the necessary specification and estimates of and for construction works to be undertaken by the Company and otherwise assist the Company in the conduct of its business. The X. Y. shall have power to employ Engineers workmen and other employees for the purpose of proceeding with and completing construction contracts undertaken by the Company of such terms as to remuneration and duration of service as he shall think fit and to dismiss such Engineers, workmen and employees.

(4) As remuneration for his services the said X. Y. shall be entitled to a monthly salary of Rupees.....He shall be entitled to ten weeks holiday in every year to be taken at such time as the Dirctors shall deem most convenient. He shall be entitled to tack on the periods of his holidays but so that he shall not be entitled to a longer absence than thirty weeks at a time.

(5) The said X. F. shall be entitled to nominate two Directors on the Board of Directors of the Company. Such nominees shall be entitled to hold office until requested to retire by X. Y. or on the happening of any of the events upon the happening of which it is provided by the Articles of Association of the Company that a Director shall vacate his office and they shall not be bound to retire by rotation. Upon any such nominee vacating his office as Director the said X. Y. may appoint another director in his place. Such nominees shall not be required to hold any qualification shares in the Company.

(6) In the event of the Company being wound up at any time during the continuance of this Agreement for the purpose and with the object of transferring its business to another company the Company shall make at one of the terms of its agreement for the transfer of its property and business to such other Company that such other Company shall appoint the said X. Y. to be its Managing Director with the like powers and authorities to him and on the same terms and conditions as are herein contained and it is hereby expressly agreed and declared that save and except with such condition and stipulation as one of the times of sale and transfer the Company will not sell and transfer its business to any other Company.

IN WITNESS WHEREOF the Company has hereunto affixed its Common Seal and the said X. Y. has set his had the day and year first above written.

The Common Seal of the .. .. Limited was hereunto affixed pursuant to a resolution of the Directors passed at their meeting held on..... .....day of.....in the presence of

The Seal of

PRECEDENT OR FORM OF A POWER OF ATTORNEY GIVEN TO A BRANCH MANAGER OF A COMPANY.

TO ALL TO WHOM THESE PRESENTS may come GREETING WHEREAS A. B. & Company, Limited, a Company registered under the Indian Companies Act 1913 having its Registered Office at..... ..... (hereinafter called "the Company") for the purpose of facilitating the conduct of business is desirous of appointing X. Y. Z. Bombay, as the true and lawful Attorney for the Company or on the Company's behalf to transact all matters generally as hereafter more fully set forth NOW THESE PRESENTS WITNESS that for the consideration aforesaid the Company hath made ordained nominated deputed constituted and appointed and doth by these presents make ordain nominate depute constitute and appoint the said X. Y. Z. to be the true and lawful Attorney of the Company to transact and manage all the Company's affairs and business at their Branch in Bombay and for the Company and in the Company's name and on the Company's behalf or in the name or on behalf of him the said X. Y. Z. as may be proper or advisable to ask demand sue for levy take possession of recover and receive of and from all and evrey or any person or persons whomsoever or body or bodies public or corporate whereso-ever being whom these presents shall or may concern all and every sum and sums of money stocks funds shares securities for money and other securities interest rents dividends and arrears thereof costs,

charges damages deeds books papers accounts vouchers documents chattels and things whatsoever which now are or is or which shall or may at any time or times hereafter become or be in any wise due owing payable or belonging to the Company for by or upon any account reason or means whatsoever and also for the Company to sign and give good and valid receipts acquittances and discharges and if needful to release and debt or debts sum of sums of money due or to become due to the Company from any person or persons and finally to discharge such person or persons from all claims and demands upon him her or them for or in respect of such debts or sums of money to attend any meetings of creditors on behalf of the Company and in case the whole amount of any debt or debts sum or sums of money due owing or payable to the Company as aforesaid cannot be recovered to compound and compromise the same and to accept any dividend or dividends thereon or any part or parts of the same in lieu of and in full satisfaction for the whole and also to carry into effect and perform all agreements or contracts entered into by the Company with any person or persons whomsoever and further in case the affairs of any person or persons now or hereafter to become indebted to the Company shall come or be under the cognizance of the Bankrupt or Insolvent debtors laws to act for the Company in all matters connected therewith also to conclude and agree all differences and disputs now existing or which may at any time happen to arise between the Company and other person or persons and if such Attorney shall think proper to refer and submit such differences and disputes to the arbitration of one or more competent person or persons likewise to accept and take security either real or personal for or to give and allow time for the repayment of any of the debts or moneys aforesaid or any part or parts thereof and the Company doth hereby authorise and empower such Attorney for the Company and in such name as aforesaid as occasion shall or may require to make sign draw accept endorse and negotiate any cheque or cheques bill or bills of exchange hundi or hundies promissory note or notes bill or bills of lading or other security or securities in such way or manner as to him may appear requisite or advisable in the transaction of the Company's said affairs or business in Bombay and also on behalf of the Company to sue commence take institute and prosecute any action or actions suit or suits in any Court or Courts in Bombay or any other proceeding or proceedings which may be necessary or advisable or which such Attorney may consider necessary or advisable in and about the execution of any of the powers or authorities hereby given and such actions and suits respectively to prosecute and follow up or to discontinue or withdraw the same with or without leave to institute fresh proceedings and to become non-suit and to enter up satisfaction upon any judgment or otherwise to act therein as such Attorney shall deem expedient AND ALSO to appear for and represent the Company in all Courts in Bombay before all judges Justices and Magistrates there to answer defend and reply to all matters and causes touching or concerning the premises and to do say pursue implead seize sequester arrest imprison and condemn and out of prison against to deliver.

IN WITNESS WHEREOF the said Company have caused their Common Seal to be hereunto affixed this .....day of.....

The Common Seal of the withinnamed Company was affixed to the within written Indenture in the presence of

PRECEDENT OF AN EXTENSIVE POWER BY A TRADING COMPANY TO ITS ATTORNEY OR AGENT.

TO ALL TO WHOM THESE PRESENTS shall come The 'X' and Company, Limited a Company incorporated under the Indian Companies Act VII of 1913 and having its registered office at.....Bombay (hereinafter called "the Company") SENDS GREETING:

WHEREAS the Company is desirous of appointing 'A' of Bombay to be the Representative, Agent and Attorney of the Company for the matters and with the powers hereinafter set out.

NOW THESE PRESENTS WITNESS that the Company hereby appoints the said 'A' (hereinafter called "the Agent") its true and lawful Attorney for and in the name and on behalf of the Company to conduct and further the business of the Company at or in any place or places throughout the world in particular to do and execute the following acts and deeds that is to say:—

1. TO CARRY on the business of the company as general importers and exporters in all its departments, and in all classes of goods, including buying selling hypothecating manufacturing and dealing with the same in any manner whatsoever, and carrying on any of the businesses, including that of builders and contractors, contemplated by the Company's Memorandum of Association or any business ancillary thereto or which may advantageously be carried on in connection therewith or otherwise.

2. TO OPEN or establish at any place or places in which the agent is authorised to conduct the business of the company a branch or branches of the company's business and to do all acts and things necessary or expedient in that behalf including the acquisition by purchase or lease or hiring upon any terms of premises for the purposes of carrying on such branch or branches and the engagement of agents, sub-managers, clerks and servants upon such terms as he may think fit and the suspension or dismissal of any of the said persons.

3. TO DEMAND, sue for, enforce payment of and receive and give effectual receipts and discharges for all moneys, securities for money, debts, goods, chattels, dividends, interest and things of what nature or description soever which now are or at any time or times hereafter shall or may become due or owing or payable to or recoverable by the company.

4. TO BORROW such sums of money and upon such terms as the agent may think expedient upon the security of the company or any of its property and for such purposes to give execute and make such mortgages, charges, pledges or other securities and with such powers and persons as may be thought proper.

5. TO TAKE or defend any legal proceedings includings bankruptcy proceedings touching any matters in which the company is or may hereafter be interested or concerned and compromise or abandon any such proceedings and to resist settle compromise or submit to arbitration any accounts, debts, claims, demands and disputes touching any matters which are now subsisting or may hereafter arise between the company and any other person or persons or corporation or between the agent and any other person or persons or corporation.

6. To VOTE at the meetings of any company or corporated or otherwise to act as the proxy or representative of the company in respect of any stock or shares or debentures or debenture stock or other security now held or which may hereafter be acquired by the company and to sign and execute any proxies or other instruments in the name and on behalf of the company.

7. To INVEST in, lend or make advances to any company firm or individual and to accept promissory notes, bills of exchange, mortgages, shares, debentures or other securities therefor.

8. To EXECUTE, sign, enter into, acknowledge, perfect or do any contracts, conveyances, leases, mortgages, transfers, assignments, surrenders, releases, assurances, deeds, agreements, instruments, acts and things in relation to the business or affairs of the company.

9. To DRAW, accept, endorse, negotiate, retire, pay or satisfy any bills of exchange, promissory notes, cheques, interest and dividend warrants, drafts, orders for payment or delivery of money, securities or effects or other negotiable instruments or securities.

10. To OPEN an account with any bank or banking company or otherwise either in his own name or in the name of the company and to do all necessary things in connection therewith including the endorsement and drawing of cheques and to draw out all moneys standing or which may stand to the credit of the comapny either alone or jointly with any other person or persons with any banker, broker or other person and to invest or otherwise deal therewith.

11. To APPEAR before the registrar or any district or sub-district registrar of deeds appointed or to be appointed under any act or ordinance for the time being in force or otherwise or any other officer or person so appointed for the registration of these presents or of any deeds, assurances, contracts or other instruments then and there or at any time thereafter to present and register or cause to be registered any deeds, assurances, contracts or other instruments in which the company may be or by the agent be deemed to be interested and also these presents and to pay such fees and do all such things as shall be necessary for the registration and perfection thereof.

12. FOR the better and more effectual doing, effecting, executing and performing the several matters and things aforesaid to appoint from time to time or generally such person or persons as the agent may think fit as his substitute or substitutes to do execute and perform all such matters and things as aforesaid and any such substitute at pleasure to remove and to appoint another or others in his place the company hereby agrees at all times to ratify and confirm whatsoever the agent or any such substitute shall lawfully do and shall cause to be done in or about the premises.

13. FOR more effectually removing any doubt which may arise as to the true meaning of these presents or as to the construction or application of the powers hereby granted the company hereby declares that such powers shall not in any case be deemed to revoke any powers or authorities heretofore given by the company to the agent or to any other person or persons or to be deemed to be limited to such transactions and matters as are herein expressly mentioned but the same are intended to extend and shall in all cases extend to any other matters or transactions not herein precisely mentioned or defined which in the case of the general business of the company or of any such branch of the company as aforesaid may by the agent be deemed to be requisite or expedient to be done or performed

including all matters attendant on the business of a general merchant.

IN WITNESS WHEREOF the common seal of the company has been hereunto affixed this.....day of.....
THE COMMON SEAL OF the 'X' Company,
Limited, has hereunto affixed in the
presence of.....

PRECEDENT OF POWER OF ATTORNEY GIVEN IN SUBSTITUTION OF AN OLD POWER.

TO ALL TO WHOM THESE PRESENTS shall come I, 'A' of.....
.....now residing in.....a director of B. Company, Limited (hereinafter referred to as "the company") of the same address SEND GREETING: WHEREAS by a deed poll or general power-of-attorney bearing date the.....day of.....and duly executed by the company and duly authenticated by C., Notary Public of the City of London and which said deed poll or general power-of-attorney is still in full force and unrevoked the company appointed me the said A. to be its attorney and for it and in its name and as its acts and deeds or otherwise on its behalf and in my discretion to make, do perform execute and exercise all or any and such of the several acts deeds powers authorities matters and things therein mentioned expressly including the powers and authorities hereinafter expressed together with full power to me from time to time to appoint a substitute or substitutes for all and any of the purposes and such substitution at pleasure to revoke AND WHEREAS in exercise of the power of substitution vested in and conferred on me by the said recited deed poll or general power-of-attorney I as such attorney as aforesaid am desirous of appointing the person hereinafter named to be the true and lawful attorney of the company for the purposes hereinafter mentioned NOW KNOW YE by these present that under and by virtue of the power of substitution hereinbefore recited and of all other powers and authorities thereunto enabling I the said A. as such attorney as aforesaid *do* hereby nominate constitute and appoint D. of Bombay, to be the true and lawful attorney of the company and in its name and on its behalf to execute and exercise all and every the powers authorities matters and things hereinafter mentioned that is to say:—

1. To demand sue for enforce payment or delivery of receive and take possession of and give effectual receipt and discharges for all monys securities for money interest dividends or bonuses (expressly including interest and dividends on stocks funds or securities of the Government of India), debts, goods, chattels and properties moveable or immoveable of every kind description whatsoever of or to which the company is now or may hereafter be possessed or entitled or which are now or may hereafter be due owing payable deliverable or transferable to the company from any person or persons whomsoever on any account whatsoever and on payment delivery transfer or receipt thereof or of any part thereof proper and effectual receipts and discharges for the same to sign and deliver which receipts whether given in the name of the company or in the name of the said attorney shall exonerate the person or persons paying such moneys or delivering or transferring such properties from seeing to the application thereof or being responsible for the loss or misapplication thereof.

2. To state adjust and settle all accounts reckonings claims and demands whatsoever now depending or which may hereafter depend between the company and any other person or persons whomsoever on any account whatsoever and to pay or receive (as the case may be) the balances which shall be due on the settlement of such accounts rekonings claims and demands.

3. Upon receipt of the money which shall be paid to the said attorneys by virtue of the premises to pay or deposit the same in the name of the company or otherwise with any banker, broker or other agent to draw out such moneys from time to time and to apply the same for the use or benefit of the company or from time to time to invest the same or any part thereof upon such securities (expressly including stocks funds or securities of the Government of India) at such interest and in such manner and upon such terms and conditions for the use and benefit of the company as the said attorney in his discretion shall think proper and from time to time to vary such securities and investments.

4. To make draw accept sign execute endorse or otherwise realise or negotiate pay and meet and discharge all bills of exchange bills of lading delivery orders letters of credit circular notes policies of insurance and subject as hereinafter provided all cheques drafts or orders for payment of money promissory notes, promissory of notes of the Government of India and other negotiable and mercantile documents as the said attorney may deem proper or expedient, provided that all cheques drafts or orders for payment of money when drawn or made by the attorney shall be duly countersigned by such person or persons as the company may from time to time appoint in that behalf.

5. To sell mortgage charge hypothecate surrender give up demise lease or dispose of any property moveable or immoveable whatsoever belonging to or held by the company as the said attorney shall think fit and to transfer release or otherwise deal with any mortgage charge or security whether upon moveable or immoveable property to which the company is now or may hereafter be entitled and also to execute or endorse any powers of sale or other rights powers or remedies incidental to any such mortgage charge or security as aforesaid or otherwise to realise and obtain the benefit thereof in such manner as the said attorney may think proper.

6. To purchase take on lease or in exchange or hire or otherwise acquire any moveable or immoveable property and any right which the said attorney may think necessary or expedient and particularly any land building work easement machinery plant stock-in-trade rolling stock, live stock, wharf, warehouse, office, ship, steam vsesel, boat or barge any patent invention privilege monopoly license concession or process and the like any other right or power conferring any exclusive or non-exclusive or limited right to use any secret or other information as to any invention which may seem capable of being used for any of the objects of the company or the acquisition of which may seem calculated directly or indirectly to benefit the company and to use exercise develop or grant any license in respect of or otherwise turn to account any property right or information so acquired.

7. To enter into acknowledge perfect sign execute and seal all contracts agreements conveyances bills of sale transfers assignments mortgages charges hypothecations leases counterparts of lease pottahs

kabuliyats releases reconveyances discharges receipts transferes of stocks shares and securities (expressly including stocks funds and securities of the Government of India) and other deeds instruments writings acts and things as shall be required or as the said attorney may deem proper or necessary in relation to the premises.

8. To appear before any registrar or any district registrar or sub-registrar of assurances or other officer or authority having jurisdiction in that behalf and there to present for registration acknowledge and register pursuant to the provisions and regulations in that behalf for the time being in force all deeds instruments and writings signed and executed or made either by the company or under the authority of these presents or which the company could present for registration and to admit the execution thereof and do all such acts and deeds in that behalf as may be or to the said attorney may seem proper or expedient.

9. To institute appear upon oppose assent to or arrange as to any insolvency composition or arrangement with the creditor of the company and for that purpose to appear and vote for the company at any meeting of such creditors.

10. To commence prosecute or enforce and to defend answer or oppose any suit or other legal proceedings (whether civil or criminal) in any court or tribunal wheresoever or before any Government touching any matter in which the company is now or may hereafter be interested or concerned and also if the said attorney shall think fit to compromise refer to arbitration abandon submit to judgment or become non-suited in any such suit or proceeding as aforesaid.

11. To appoint and retain solicitors vakils pleaders and muktears and such appointments and retainers or any of them to revoke and others again to appoint as occasion shall require.

12. To make sign execute present and file in court of tribunal all applications, plaints, petitions, written statements, warrants of attorney, vakalatnamas muktearnamas and other documents expedient or necessary in the opinion of the said attorney to be so made signed executed presented or filed in relation to any of the purposes aforesaid and such documents again to receive back

13. To pay and allow all fees costs and expenses necessary to be paid or allowed in the premises.

14. To receive out of court or tribunal or from any person or persons whomsoever liable to pay the same all costs fees and other moneys whatsoever realisable by or payable to the company in connection with such suit or other proceeding as aforesaid and receipts and discharges to grant in respect of the same.

And I, the said A. for myself and the company hereby ratify and confirm all and whatsoever the said attorney shall lawfully do or cause to be done in or about the premises by virtue of these presents including in such ratification and confirmation all and whatsoever shall be done between the time of revocation by any means of this power-of-attorney and the time of such revocation becoming known to the said attorney.

IN WITNESS WHEREOF I have hereunto set and affixed my hand and seal this.....day of.....

SIGNED SEALED AND DELIVERED by the aforenamed 'A' in the presence of..... (Sd.) 'A.'

PRECEDENT OF POWER-OF-ATTORNEY GIVEN AS SUPPLEMENT TO A POWER ALREADY GIVEN.

TO ALL TO WHOM THESE PRESENTS SHALL COME, The 'X' Company, Limited, a corporation incorporated under.....having its office at..... .....(hereinafter called "the company") SEND GREETINGS: *whereas* by a power-of-attorney, dated the.....day of .....under the seal of the company (hereinafter called the said deed poll) the company did thereby make constitute and appoint 'B' to be its true and lawful attorney in fact within the territories therein mentioned with the powers therein mentioned *and whereas* the company is desirous of giving the said B. the further or additional powers and authorities hereinafter contained NOW THESE PRESENTS WITNESS that the company hereby gives to and vests in the said B. the following further and additional powers and authorities that is to say in the name of the company:—

1. To appoint and dismiss agents or accept agencies for the company in all or any of the territories mentioned in the said poll and for such purposes and on such terms as may be thought fit and to accept from such agents any security including without prejudice to this generality, the deposit of Government or marketable securities or of title deeds to immovable property for the due fulfilment of their obligations as the said attorney may think fit.

2. To purchase, sell, endorse and deliver or surrender for renewal any promissory notes or war loan bonds or other securities of the Government of India or the Government of any other of the territories mentioned in the said deed poll and of the Bombay Municipality, the Bombay Port Trust and the Bombay Improvement Trust.

3. To appear before the registrar or sub-registrars of assurances or any other officers appointed for registration of documents in any of the territories mentioned in the said deed poll and to present for registration admit execution and seal and to procure registration of all documents or deeds of whatever nature executed by or on behalf of the company.

4. The additional powers and authorities herein contained are in addition to the powers given to the said B. by the said deed poll and the said deed poll shall be deemed to include the additional powers and authorities hereby conferred and shall be so read and construed and save as varied hereby the company hereby confirm the said deed poll.

And the company hereby for itself its successors and assigns ratifies and confirms and agrees to ratify and confirm all and whatsoever the said attorney or his substitute or substitutes shall lawfully do or cause to be done in or about the premises by virtue of these presents including in such confirmation whatsoever shall be done between the time of the revocation by any means of these supplemental power-of-attorney and the time of such revocation becoming known to the said attorney or his substitute or substitutes *and* the company hereby expressly declares that these presents and the powers and authorities hereby conferred are in addition to and not by way of limitation of or substitution for any former or other powers-of-attorney heretofore given or delegated by the company (whether jointly with some other person or persons or alone) and now existing uncancelled whether to the said attorney or to any other person or persons in any of the said territories and that these presents in any of the said

territories and that these presents are not intended to and shall not revoke or limit such other power or power-of-attorney *and* the company lastly declares that the act of the company or its officers at any time or times hereafter performing or doing all or any of the acts, deeds, matters or things hereinbefore mentioned shall not be deemed to revoke cancel or otherwise prejudice any of the powers or authorities conferred by these presents IN WITNESS WHEREOF the company has caused these presents to be duly signed and executed and its seal hereunto affixed this.....day of.....

PRECEDENT OF A POWER OF ATTORNEY FOR REGISTERING AND ADMITTING EXECUTION OF A DOCUMENT.

KNOW ALL MEN BY THESE PRESENTS that I, 'Z' of Bombay Parsi Inhabitant a partner in the firm of Y and Co., carrying on business at.....and at present on leave DO hereby nominate constitute and appoint 'C' to be my true and lawful attorney in fact and at law for me in my name and on my behalf to present for registration at the office of the Registrar or Sub-Registrar of Assurances at Bombay or elswhere in India as occasion may arise any deed agreement or other document already executed or hereafter to be executed by me and to which deed agreement or other document I am a party and to admit execution thereof on my behalf and to identify my signature therto and to do all things necessary for registering the same under the Indian Registration Act XVI of 1908 or other the act or regulation for the time being in force relating to the registration of document and giving legal effect and validity thereto *and generally* to act in relations to the premises as fully and effectually in all respect as I could do if personally present thereby ratifying and confirming and covenanting for myself my heirs executors administrators and assigns to ratify and confirm all and whatsoever the said attorney shall lawfully do or cause to be done in or about the premises by virtue of these presents *and* I hereby expressly declare that these presents and the powers and authorities hereby confirmed are in addition to and not by way of limitation of or substitution for any former or other power or powers of attorney heretofore given or delegated by me (whether jointly with some other person or persons or alone) and now exiting uncancelled whether to the said Attorney or to any other person or persons or jointly with any other person or persons and that these presents are not intended to and shall not revoke or limit such other power or powers of attorney IN WITNESS WHEREOF I have set by hand and seal this.....day of.....

SIGNED SEALED AND DELIVERED BY the abovenamed 'Z' in the presence of.....

FORM OF A ATTESTATION WHERE DEED HAS BEEN EXECUTED BY A MARK.

Signed, sealed and delivered by the above-named X. Y. in our presence, he having signed by a mark in consequence of being unable (*e.g.*, through physical infirmity) to sign his name, the deed having first been read over and explained to him and he appearing fully to understand the effect thereof.

(Two witnesses should attest, one of whom should be a Doctor,

Justice of the Peace, Minister of Religion, Barrister, Solicitor, or other person of standing).

FORM OF INDENTURE OF LEASE FOR A MINE OF QUARRY.

THIS INDENTURE made the.....day of..... .....One thousand nine hundred and.....between the D. of the B. State (hereinafter called "the Lessor" which expression shall be taken to mean and include His Highness of B. for the time being and the Diwan of the said State acting for and on behalf of His Highness and the State of B. and their successors and respective assigns except when the context requires another meaning) of the one part and the B. Company, Limited a Company registered under the Indian Companies Act, 1913 and having its Registered Office situate in Bombay (hereinafter called the "Lessees" which expression shall be taken to mean and include the B. Company, Limited and its successors and assigns except when the context requires another or different meaning) of the other part WITNESSETH that in consideration of the Lessees' covenants hereinafter reserved and contained the Lessor doth hereby demise unto the Lessees the mines quarries beds veins and seams of lime cement building or similar stone mentioned and described in the First part of the Schedule hereunder written together with the liberties powers and privileges to be exercised in connection with the said mines or quarries which are mentioned in the second part of the said Schedule subject to the restrictions and conditions as to the exercise and enjoyment of the same liberties powers and privileges which are specified in the third part of the said Schedule except and reserved out of this demise unto the Lessor the liberties powers and privileges mentioned and specified in the fourth part of the said Schedule TO HOLD the hereditaments and premises intended to be hreby demised unto the Lessees from the. ..... .day of..... One thousand nine hundred and. ..... for the term of thirty years thence next ensuing *yielding* and *paying* to the Lessor the sums of money mentioned and specified in the fifth part of the said Schedule subject to the provisions relating to royalty expressed in the sixth part of the said Schedule and the Lessees do hereby covenant with the Lessor as in the seventh part of the said Schedule is expressed and the Lessor doth hereby covenant with the Lessees as in the eighth part of the said Schedule is expressed and it is hereby mutually agreed and declared by and between the parties hereto as in the ninth part of the Schedule is expressed and it is is hereby mutually agreed and declared by and between the parties hereto as in the ninth part of the Schedule is expressed and it is declared that the Schedule hereunder of written shall be deemed part of these presents and be read and construed accordingly IN WITNESS WHEREOF.....and.....acting for and on behalf of the Lessor have hereunto set their hands and seals and the Common Seal of the B. Company, Limited has been hereunto affixed the day and year first above written.

THE SCHEDULE.

PART I—THE MINES AND QUARRIES DEMISED BY THIS LEASE.

The mines quarries beds veins and seams of lime cement building and other stone being within and under the land containing an

area of approximately one hundred and one square miles situate lying and being in the State of B. in.....bounded on the North by and tributories of the M. and C. Rivers running approximately parallel to and one mile from the escarpment of the Hill Range on the South by the M. River on the West by the M. River and on the East by the N. M. Railway which are delineated on the plan hereunto annexed and thereon coloured green.

PART II—RIGHTS AND PRIVILEGES WHICH ARE TO BE ENJOYED BY THE LESSEES BUT SUBJECT TO THE RESTRICTIONS AND CONDITIONS IN PART III.

1. Liberty and power for the Lessees at all times during the term hereby granted to work the said mines and quarries and to win and get the said mines and premises and the produce thereof.

2. Liberty and powr to dig sink drive make repair and use all such pits shafts drifts levels water-gates water-courses air-gates and other works as may be necessary or proper for searching for mining and working and getting the said mines quarries and premises and for ventilating and draining the same.

3. Liberty and power to appropriate and use for any purpose connected with the said mines and quarries the water upon or within any of the said lands and to collect and impound the same in ponds reservoirs or otherwise for the purpose of working the said mines and quarries but so that in the exercise of this privilege the Lesses shall not deprive any lands villages houses or watering places for cattle of a reasonable quantity of water as before accustomed and do not in any way foul impregnate or otherwise deteriorate any springs or streams of water so as to render them useless or unprofitable.

4. Liberty and power to enter upon use and occupy a sufficient part of the said lands adjoining any pits for depositing and heaping thereon the produce of the said mines and quarries and all the earth soil and other substances dug up and brought to the surface in or about the working of the same and for otherwise carrying on the works of the said mines and quarries.

5. Liberty and power in or upon the said lands to convert lime-stone or sand-stone or other stone sand clay or similar material into lime cement bricks or other produce whether for purposes of sale or otherwise.

6. Liberty and power to take lead and carry away over the said lands stone of whatever sort or the produce thereof made and manufactured under the liberties and powers hereinbefore granted and to dispose of the same at their own will and pleasure.

7. Liberty and power to erect and set up and make in upon and over the said lands workmen's houses sheds engines machinery furnaces buildings erections [illegible]-roads tram roads and other roads and works necessary or convenient for the effectual working of the said mines and quarries and the exercise of the several liberties and powers hereinbefore granted.

8. Liberty and power for the Lessees to cut down fell and use for purchases connected with the mines and quarries the timber and bruchwood and undergrowth now standing or growing or which during the term hereby granted may be standing or growing upon the reserved forest land included in the lands delineated on the

plan hereunto annexed or on any land required for purposes connected with the mines and quarries provided that the rights and privileges given to the Lessees by this Clause shall be exercised subject to the terms and conditions following and set forth in Part III hereof.

9. Liberty and power to export free of all duties taxes or cesses or any charges whatsoever other than royalty lime cement building or similar stone manufactured or unmanufactured.

10. Liberty and power to import free of any duty taxes and cesses whatsoever machinery plant materials produce and foodstuffs and any other substance necessary and requisite for works connected with the mines and quarries or for the officers and labourers employed thereon from time to time.

PART III—RESTRICTION AND CONDITIONS AS TO THE EXERCISE OF THE ABOVE LIBERTIES POWERS AND PRIVILEGES.

1. No building or thing shall be erected or set up and no other surface operations carried on by the Lessees by virtue of the liberties and privileges above granted in or upon any place of worship sacred grove burial-ground house village site public road or other place in respect of which on public grounds it appears to the Lessor that objections exist to so doing nor in such a way as to injure or affect any buildings or other works property or rights of private individuals nor shall any land be taken or occupied for surface operations if the same is already in the occupation of and used by persons other than the Lessor for other works or purposes not included in this present demise if any other lands not so occupied and used are suitable and convnient and equally available for such surface operations.

2. Before taking any land for surface operations which has not already been used for such operations the Lessees shall give to the Lessor's Agent (who for the purposes of this lease shall be taken to be the Dewan of the B. State for the time being or some officer deputed by him) one calendar month's previous notice in writing specifying by name or other sufficient designation and by quantity the land proposed to be taken and the purpose for which the same is required the Lessor's Agent may at any time within one calendar month from the receipt of such notice state his objections if any to the proposed site and the validity of such objections in case of dispute shall be determined by reference to the Honourable the Agent to the Governor General in X in manner hereinafter provided whose decision thereon shall be final.

3. The Lessees shall not without the express sanction of the Lessor's Agent cut-down or injure any trees or timber on the said lands but they may clear away brush-wood or undergrowth which interferes with the due exercise of the liberties and privileges above granted provided nevertheless that notwithstanding anything in this clause contained the Lessees shall not enter upon any reserve forest included in the lands delineated on the plan hereunto annexed without fourteen days' previous written notice to the Lessor's Agent.

4. No mining or quarrying operations or working shall be carried on or allowed by the Lessees on or under the lands hereby demised at or to any point within fifty yards of any railway reservoir canal or other public works or any building or inhabited

site (as shown in the map hereunto annexed) on or near the said lands except with the previours permission in writing of the Lessor's Agent for the time being or of any official authorised by him in this behalf and subject to any instructions restrictions and conditions which may be attached to such permission by the official granting the same.

PART IV—RIGHTS RESERVED TO LESSOR

1. Liberty and power for the Lessor and any Lessee or other person authorised by the Lessor in that behalf to enter into and upon the said lands and to search for dig work and get any minerals or substances other than lime-stone sand-stone or other building stone in upon or under the said lands and for the purposes aforesaid to sink make erect and use such pits shafts levels drains water-courses reseryoirs tunnels buildings engines or machinery canals railway wagon-ways and other ways works and conveniences upon through or under the said lands as shall be necessary or expedient provided always that the said reserved rights and privileges to work for minerals other than lime-stone sand-stone or other building stone shall be exercised and enjoyed in such manner as not to hinder or interfere with the rights and privileges of the Lessees under there presents and provided also that fair and proper compensation shall be paid by the Lessor for all loss damages or injury which the Lessees may sustain or be put to by reason or in consequence of the exercise of the said reserved rights and privileges to work for minerals other than lime-stone sand-stone or other building stone the amount of such compensation to be settled in case of difference by reference to the Honourable the Agent to the Governor-General in X. as hereinafter provided whose decision thereon shall be final

2. Liberty and power for the Lessor or any Lessee or other person authorised by the Lessor in that behalf to enter into and upon the said lands and to make upon over or through the said lands such roads tramways and railways as shall be necessary or expedient for any purposes and to obtain from and out of the said lands such stone earth and other materials as may be necessary or requisite for making repairing or maintaining such roads tramways and railways and to pass and repass at all times over and along such roads tramways and railways for all purposes and as occasion shall require.

3. Liberty and power for the Lessor or any person authorised by the Lessor in that behalf to enter into and upon the said lands and to dig work and get and carry away any lime-stone sand-stone or other building stone or material *bona fide* required for any buildings roads railways or other works being the property of the B. State but not for sale provided always that the said rights and privileges to dig for work and carry away for the purposes of the B. State such stone the rights whereof are herein expressly conferred upon the Lessees shall be exercised in such a manner as not to interfere with or hinder the rights and privileges of the Lessees under these presents and provided also that fair and proper compensation shall be paid by the Lessor for all loss damage or injury which the Lessees may be put to or sustain by reason or in consequence of the exercise of the said rights and privileges to dig for work and carry away lime-stone building and other stone for the purposes of the

B. State the amount of such compensation to be settled in case of difference by reference to the Honourable the Agent to the Governor-General in X. in manner hereinafter provided whose decision thereon shall be final.

4. Liberty and power for the Lessor if the Lessees shall not within twelve months from the commncement of the said term have started operations under this Lease or if at any time during the said term such operations shall cease to be in the *bona fide* progress for a period of twelve consecutive calendar months to re-enter upon the said premises and to hold the same and to lease the same to third parties or otherwise deal with the same as if this Lease had not been made provided always that the Lessor shall give to the Lessees six months' notice in writing of his intention so to dox and provided that if before the expiration of the said notice the Lessees shall have recommenced operations to the satisfaction of the Lessor the said notice shall be deemed to be cancelled provided also that if the cessation of the Lessees' operations shall be due to or the outcome of any concession to work or obtain stone of a similar nature in any other State in X. being obtained by the Lessees and the Lessees shall give to the Lessor twelve calendar months' notice in ;writing of their intention to cease operation in the B. State and commence operations elsewhere in X. the Lessor shall be entitled to re-enter upon the mines quarries and premises hereby demised and to hold or re-demise the same to other parties or otherwise deal with the same as if this Lease had not been made and also to restrain upon all stocks of the Lessees and their engines plant live and dead stock and things which shall be found in or upon the same premises.

PART V—ROYALTY RESERVED BY THIS LEASE.

1. The Lessees shall during the first twelve months of the said term from the.....day of... .....One thousand nine hundred and.....to the..... .day of. .....One thousand nine hundred and..... ...pay to the Lessor the royalty of Rupees.....per..... .cubic feet of stone excavated dressed and ready for manufacture into lime or cement or of any some exported from the B. State and during the remainder of the said term pay the said royalty for every. . .....cubic feet of stone excavated and dressed and ready for manufacture into lime or cement or on any stone exported from the said State.

PART VI—PROVISIONS RELATING TO ROYALTY.

1. The aforesaid royalty shall be paid free from any deductions on the twenty-fifth day of each month in every year for the month immediately preceding (the first of such monthly payments to be made on the.....day of.....One thousand nine hundred and.....).

2. All lime-stone or building stone used by the Lessees for the construction of buildings works houses or other purposes connected with their mines and quarries and in the houses and offices of the agents and workmen for the time being employed by the Lessees in and about the said mines quarries and premises shall be free from royalty.

3. The Lessees shall well and truly measure or cause to be

measured the quantity of lime-stone or other stone ready dressed for manufacture into lime or cement and prepared for export from the B. State for the purpose of ascertaining the amount of royalty payable in respect thereof at least once in every month and as many other times as occasion may require and three days notice in writing of every such measuring shall be given to the Lessor or to the person appointed by him in that behalf in order that some person on behalf of the Lessor may be present at that operation and attend to the proper conducting thereof and no part of the said produce shall on any account be taken away or exported from the said lands until the quantity thereof shall have been ascertained.

PART VII—THE LESSEES' COVENANTS.

1. The Lessees shall pay the royalty reserved by the lease at the times and in the manner above appointed in that behalf.

2. The Lessees shall at their own expense if required by the Lessor forthwith erect and at all times maintain and keep in repair boundary marks and pillars according to the demarcation shown in the plan hereto annexed so that the boundaries of the said lands may at all times be maintained.

3. The Lessees shall within twelve months from the commencement of the term hereby granted start and work the said mines and shall thereafter at all times during the continuance of this lease continuously work for and as far as possible obtain lime-stone and other stone from the said lands and maintain in good working order and conditon and work all mines and quarries when open without voluntary intermission in a skilful and workmanlike manner and upon the most approved principle without doing or permitting to be done any unnecessary or avoidable damage to the surface of the said lands within or under which the said mines and quarries lie and shall not cultivate or use the said lands in any manner save for the purposes of this demise and the rights hereby granted.

4. The Lessees shall on notice from the Lessor strengthen and support to the satisfaction of the Lessor any part or parts of any mine or quarry when in the opinion of the Lessor such strengthening and support is needed for the safety of any railway reservoir canal or other public work or any building whether the said railway reservoir canal or other public work or other building shall be existing during the working of such part or parts of the mines of quarries already existing or shall be constructed after the said part or parts of the mines or quarries have been worked out. Such strengthening and support shall be made and done at the expense of the Lessees if they are needed for the safety of any railway reservoir canal or other public work or other buildings as aforesaid alerady existing at the time of the working of the said part or parts of the mines or quarries by reason of the Lessees having conducted mining operations wthin the limits prohibited by Clause 4 of part II of this Schedule and in other cases at the expense of the Lessor.

5. The Lessor's agents servants and workmen shall be at liberty at all reasonable times during the said term to inspect and examine all works carried on by the Lessees under the liberties hereinbefore granted.

6. The Lessees shall without delay send to the Lessor's agent a report of any accident which may at any time occur at or in the said lands or any mine or quarry.

7. The Lessees shall at all times upon finding any mineral or product other than that or those for which this Lease is granted immediately report such finding in writing to the Lessor's agent with full particulars of the nature and position of each find and if the Lessees are desirous of working or winning such new mineral or product they shall pay a royalty on all that they may work or win at such rate not being less than tweny-five per cent. of the value thereof as may from time o time be mutually agreed or in the event of dispute as may be determined by the Honourable the Agent to the Governor-General in X. until a fresh mining Lease may have been granted in respect of such new mineral or product and the Lessees shall at any time after discovery of such new mineral or product be entitled to obtain a mining lease therefor or if precious stones be concerned the first offer of a mining lease therefor upon terms and conditions similar to those prescribed in Rule 16 of the Rules issued by the Government of India for the grant of prospecting licenses dated the twentieth day of May one thousand eight hundred and ninety-nine.

8. The Lessees shall at all times during the said term keep or cause to be kept at the office or counting house of the works to be situate in or contiguous to some part of the said lands correct and intelligible books of accounts which books shall contain accurate entries of (1) the quantity of lime and other stone raised and brought of bank from the mines and quarries which have been or may be made or sunk by the Lessees under the liberty in that behalf hereinbefore contained, (2) the quantity of manufactured lime and cement (3) the quantity of lime and cement sold and exported from the said mines and quarries (4) the quantity of lime and cement otherwise disposed of and the manner and purpose in and for which the same have been or are intended to be applied and (5) the number of persons employed in the said mines and quarries together with all other facts necessary or proper for conveniently ascertaining the amount of the royalty from time to time payable under these presents and the manner in which such lime and cement has been disposed of and shall also at their own expenses furnish to such officer as the Lessor may from time to time direct and at such times as the Lessor may appoint true and correct abstracts of all or any of such accounts and returns and shall at all reasonable times allow such officers or persons as the Lessor shall in that behalf appoint to enter into and have free access to the said office or counting house for the purpose of examining and inspecting the said several books of account and to take copies thereof and make extracts therefrom.

9. The Lessees shall at all times during the said term cause to be made and kept at the said office or counting house true and correct and intelligible plans and sections of the said mines and quarries which plans and sections shall show as well the operations and workings which have been carried on as also all veins faults and other disturbances which have been observed and encountered in such workings and operations and the Lessees shall at their own cost furnish to the Lessor true and correct copies of such plans and sections when thereunto required.

10. The Lessees shall not assign or underlet the premises hereby demised or any part therof or the rights and privileges hereby granted or any of them without the consent in writing of the Lessor of his agent for the time being.

11. The Lessees shall make and pay reasonable satisfaction and compensation for all injury which may be done by them their agents and servants in exercise of the liberties and powers hereby granted to the property and rights of third parties and shall at all times save harmless and keep indemnified the Lessor from and against all actions suits claims and demands by such third parties in respect of any such party.

PART VIII—THE LESSOR'S COVENANTS.

1. The Lessees paying the royalty hereby reserved and observing and performing the covenants and provisions herein contained and on their part to be observed and performed shall and may peaceably and quietly hold and enjoy the rights and premises hereby demised for and during the term hereby granted without any lawful interruption from or by the Lessor or any person rightfully claiming from or under him.

2. If the Lessees shall be desirous of taking a renewal lease of the said mines and quarries for the further term of thirty years from the expiration of the said term hereby granted and of such desire shall prior to the expration of such last mentioned term give to the Lessor twelve calendar months' previous notice in writing and pay the said royalty hereby reserved and observe and perform the several covenants herein contained and on the part of the Lessees to be observed and performed up to the expiration of the said term hereby granted the Lessor will upon the request and at the expense of the lessees and upon their executing and delivering to the lessor a counterpart thereof sign and deliver to the lessees a renewed Lease of the said premises for the futher term of thirty years at the same royalty and subject to similar covenants provisions and agreements as are herein contained other than this present covenant.

3. The Lessees may at any time or times within six calendar months after the determination of this demise whether by effluxion of time or otherwise enter into and upon the said lands or any part thereof for the purpose of taking down removing and disposing of for their own use and benefit all the machinery utensils implements articles and things set up and used in and about the working of the said mines and quarries and all oven kilns sheds huts railways tramways and other works (except buildings and erections of brick or stone) erected and then standing upon any of the said lands for the purpose of working the said mines unless the Lessor shall be desirous of purchasing the same or any of them in pursuance of the provisions in that behalf herein after contained.

PART IX—GENERAL PROVISIONS.

1. If the royalty hereby reserved or any part thereof respectively shall be behind or unpaid for the space of two calendar months next after any of the days whereon the same ought to be paid then and so often as the case shall happen the Lessor may enter into and upon the said lands which shall for the time being be possessed or occupied by the lessees for the purposes of this demise and may distrain all or any of the stock of engines plant live and dead, stock and things which shall be found in or upon the same premises and the same may take lead drive carry away impound detain and keep until the royatly which shall then be due and all costs and expenses

occasioned by the non-payment thereof shall be fully paid and satisfied.

2. If the royalty hereby reserved or any part thereof respectively shall be behind or unpaid for the space of six calendar months next after any of the days whereon the same ought to be paid as aforesaid and whether the same shall have been legally demanded or not or if the Lessees shall commit any breach of the covenants and conditions contained in the lease and on their part to be observed and performed or any of them in such case the Lessor may by notice in writing delivered to the lessees require the payment or conditions in regard to which there has been default or neglect to be made observed or performed within two calendar months of the date of the said notice in writing and failing payment or fulfilment of the conditions in which there has been default or neglect as so notified the Lessor may on expiry of two calendar months from the date of the notice declare that this lease and the demise hereby made shall thenceforth determine and thereupon this lease and all rights and privileges conferred thereby shall forthwith determine and cease.

3. If at the end or sooner determination of the said term the Lessor shall be desirous of purchasing all or any of the buildings or works above ground level set up or constructed by the lessees and shall signify such his desire by notice in writing to the lessees six calendar months at least before the expiration of the said term (or if the said term shall be determined under the power of re-entry hereinbefore contained at any time within three calendar months after the determination of the term) the Lessees shall sell to the Lessor all or any of the said buildings and works at a reasonable valuation.

4. If at any time during the continuance of this demise the said mines or quarries shall become destroyed or rendered substantially and permanently unfit for the purposes of this demise by fire tempest or flood or violence of any army or mob or other irresistible force these presents shall at the option of the lessees be void provided that if the injury be occasioned by the wrongful act or default of the lessees or their servants they shall not be entitled to avail themselves of the benefit of this provision and provided also that if this lease shall become void for or by reason of any of the causes aforesaid it shall be without prejudice to the rights and remedies of the Lessor under or by virtue of these presents for the recovery of any royalty which may then remain unpaid or in respect of any breach which may have been committed of any of the covenants herein contained on the part of the lessees.

5. Whenever any doubt difference or dispute shall hereafter arises touching the construction of these presents or anything herein contained or any matter or thing connected with the said mines and quarries hereby dealt with or the working or non-working thereof or the amount or payment of any royalty reserved or made payable hereunder the matter in difference shall be referred to and be decided by the Honourable the Agent to the Governor-General in X. whose decision shall be final.

SIGNED SEALED AND DELIVERED BY .....and.....acting in the premises for and on behalf of the B. State in the presence of.....

The Common Seal of the B. Company, Limited has hereunto affixed pursuant to a resolution of the Directors of the Company passed at a meeting of the Board held on the .....day of.....One thousand nine hundred and..... in the presence of.....

.....

.....

Directors.

.....

Agents.

APPENDIX A

(Continued)

FORMS AND PRECEDENTS

SECTION V

DEBENTURES

Debenture Prospectuses.
Debenture Applications.
Debentures Interest Coupons.
Certificate of Registration of Mortgage.
Debenture Trust Deed.
Debenture Certificate.
Debenture Trust Deed for Further Issue.
Instrument of Hypothecation.

Note :—Forms already given in the text are not appended. A reference may be made for them in the Index.

PROSPECTUS

For Issue of Debentures

This Prospectus has been filed with the Registrar of Companies, Bombay.

EXEL MILLS, LIMITED.
(Registered under the Indian Companies Act, 1913).

AUTHORISED CAPITAL.....Rs.....

Divided into

.....Shares of Rs.....each.

SUBSCRIBED CAPITAL.....Rs.....

Divided into

.....Shares of Rs.....each.

Issue of

7½% first mortgage debentures of Rs.....each of the aggregate Nominal value of Rs.....at part payable as follows:—

Rs.....on Application.

Rs.....within one month of Allotment.

And the balance of Rs..... ....in monthly instalments of Rs. each.

The Debentures will be repayable on the 2nd day of January 1940, but the Company will be at liberty to redeem the whole of any part of the Debentures on the 2nd of January, 1939 or any subsequent day of payment of interest on giving three months' previous notice of its intention to redeem.

The Debentures will carry with them the right to convert at any time prior to the 2nd day of January, 1939 into ordinary shares of the company at par to the extent of 40 per cent. of the amount subscribed.

The Debentures subscribed for will carry interest at the rate of 7½ per cent. per annum from the time they become fully paid, such interest being payable half-yearly at Bangalore on the 2nd day of January and 1st day of July in each year.

Till the subscribed Debentures become fully paid up, interest at the same rate will be allowed on application, allotment and instalments moneys received.

The Debentures will be secured by a Trust Deed which will contain:—

1. A first mortgage to trustees of
   (a) The immovable property of the company at Bangalore.
   (b) All plant, electric equipment and fixed machinery belonging to the company and now in the company's possession in the aforesaid premises and used or intended to be used for the purpose of the company's undertaking.

2. The covenant of the company to vest in the trustees of the said Trust Deed all immoveable property and all plant, electric equipment and fixed machinery which may be acquired by the company after the date of the said Trustee Deed.

One of the trustees of the said Trust Deed will be nominated on behalf of the debenture-holders and the other by the company and the debenture-holders will have the right to nominate a Director of the company, and an additional Trustee.

BOARD OF DIRECTORS.

(Names, addresses etc., of all the directors and proposed directors).

MANAGING AGENTS.
Name and address).

AUDITORS.
(Name and address).

SOLICITORS.
(Name and address).

BANKERS.
(Name and address).

REGISTERED OFFICE OF THE COMPANY.
Shale Building,
Bank Street,, Fort, Bombay.

PROSPECTUS.

The Company was registered on the 17th day of December, 1929 with an authorised capital of Rs.....divided into.....shares of Rs.....each. Of these.....shares have been issued and subscribed.

The primary object of the company is to carry on the business of manufacturing, bleaching, dyeing, printing and selling yarn, cloth and other fabrics made from raw cotton, jute, wool and other suitable materials and generally to carry on the business of cotton spinning and weaving proprietors in all their branches.

The company's immovable property at Bangalore consists of valuable freehold land close to the Bangalore City Railway Station, and of mill buildings, godowns and bungalows all built on modern style. The mill is equipped, with up-to-date spinning and weaving plant.

The mill commenced working in 1927 with 19,616 spindles. The capital cost of these sindles, of the buildings to accommodate 40,000 spindles, and of the land measuring about 83 acres was about Rs. 25,62,000. Although built during post-war times, when prices of machinery were high, the mill had the advantage of about Rs. 3 lakhs due to sterling remittancs when exchange was favourable.

It was found that this original unit of 19616 spindles with purely spinning operations was too small for economical working and it was thought prudent to increase the spindleage to 30,000 and add 500 looms to ensure the profitable working of the concern which is considered an economical unit for a cotton Mill in India.

With this view, additions were made from time to time as follows:—

In 1928—1,600 spindles and 220 looms were added.

In 1929—6,400 spindles were added.

In 1930—a further 4,000 sindles and 220 looms were added.

As a result of these additions, the capital cost of which amounted to approximately Rs..... the Mill was enabled to earn.

Rs.....in 1929.

Rs.....in 1930 and

Rs.....in 1931.

after meeting all overhead charges including interest.

The fall in profits in 1931 was due to unsettled labour conditions and prolonged strikes which the mill had to face in that year. The increased earning capacity of the mill by the addition of 4,000 sindles and 220 looms in 1931 should have shown handsome results for the year 1932. But on account of the heavy and continuous fall in prices in the year 1932, after the requirements of cotton for the year had been purchased in the season, the results of the working for the year showed a loss of about Rs.....

The mill now consists of 32,416 spindles and 440 looms at a cost of about Rs. 35 lakhs after depreciation deductions made. The present ruling prices of cotton and the values realised for the company's manufactures leave a fair margin of profit and there is every reason to believe that the mill will begin to earn normal profits before long.

The capital expenditure (including the debit balance of Profit and Loss Account as on 31st December,1932) in excess of paid up capital is about Rs.....It is proposed that the present Debenture issue should be utilised for the payment of the company's indebtedness in this respect, which will absorb about Rs. 12 lakhs, and the balance will be available for working capital.

Pending the subscription to the whole of this issue, the Debentures not subscribed for will be available as collateral security for the above indebtedness and will be utilised as such.

No part of this Debenture issue has been underwritten.

Commission at a rate not exceeding 4 per cent. on accepted amounts will be paid to parties approved by the Board of Directors for securing subscriptions to the Debenture issue.

The following information is given to comply with the provision of Section 93 of the Indian Companies Act, 1913.

1. An issue of ordinary shares of the company of the aggregate nominal value of Rs.....was made on the 5th day of February 1925.

2. The auditors of the company are Messrs. A. and Co., Ewart House Tamarind Lane, Fort, Bombay, and Messrs. B. and Co., 16, Apollo Street Fort, Bombay.

3. Each share in the company confers the right to one vote.

4. Applications in the annexed form should be filled up and sent direct to the Company's Managing Agents, Messrs. C and Co., No. 70 Medows Street, Fort, Bombay, or Mill Office, Bangalore, or to the Company's Bankers, the Indian Bank Limited accompanied by a remittance of Rs.....in respect of each Debenture applied for. When no allotment is made, the deposit will be returned in full.

The draft or copy of the proposed Trust Deed and the Form of Debenture as appearing therein and a copy of the Balance Sheet of the company as at 31st December, 1933 can be inspected at the Registered Office of the Company in Bombay and at the Mill Office in Bangalore City at any time between 11-30 a.m. and 4-30 p.m. (S.T.) on any week day not being a public holiday or Saturday and applicants for Debentures will be deemed to have notice of the contents of the said documents.

This Prospectus is issued under the authority of the Board of Directors of the Company who have signed the copy which has been filed with the Registrar of Companies, Bombay.

Dated at Bombay this 5th day of January 1934.

C. and Co.,
Managing Agents.

ANOTHER FORM OF PROSPECTUS FOR ISSUE OF DEBENTURES.

This subscription list is now open and will close on such day as may be notified by advertisement in the public press.

This prospectus has been filed with the Registrar of Companies, Bombay.

THE UNITED MILLS LIMITED.

(Registered under the Indian Companies Act, 1882).

AUTHORISED CAPITAL.....Rs.....

Divided into.....Ordinary Shares of Rs.....each and.....5½% Cumulative Preference Shares of Rs.....each.

SUBSCRIBED CAPITAL.....Rs.....

PAID UP CAPITAL..... Rs.....

Issue of.....7¾% debentures of Rs.....each, payable on application.

The debentures will be issued to bearer and will be repayable on the 1st April, 1948, but the company will be at liberty to redeem the whole or any part of the debentures on or at any time after the 1st October, 1932, on giving three calendar months' previous notice of its intention to redeem.

The debentures will carry interest at the rate of 7¾ per cent. per annum, payable at the registered office of the company half-yearly on the 1st day of April and the 1st day of October in each year on presentation of the coupons attached to the debentures.

The debentures will be secured by a trust deed which will contain:—

1. A first mortgage to trustees of,
   (a) The immovable property of the company, and
   (b) All plant engines and fixed machinery belonging to the company and now in the company's possession and used for intended to be used for the purpose of the company's undertaking.

2. The covenant of the company to vest in the trustees of the said trust deed all immoveable property and all plant engines and fixed machinery which may be acquired by the company after the date of the said trust deed.

Two of the trustees of the said trust deed will be appointed on behalf of the debenture-holders and one by the company, and the

debenture-holders will have the right to nominate a director of the company.

DIRECTORS.

(Names, addresses, etc., of all the directors and proposed directors).

BANKERS.

(Name and address).

AUDITORS.

(Name and address).

TRUSTEES FOR THE DEBENTURE-HOLDERS.

(Name and address).

SOLICITORS FOR THE TRUSTEES.

(Name and address).

AGENTS O THE COMPANY.

(Name and address).

REGISTERED OFFICE.

Ismail Building, Churchgate Street,
Fort, Bombay.

PROSPECTUS.

The company was registered on the 24th February, 1913, as a company, limited by shares with the primary object of carrying on the business of cotton and spinning and weaving mill proprietors in all their branches.

The company is the owner of two spinning and weaving mills, one known as the "X Mills" situate at Matunga, Bombay, and the other known as the "Y Mills" situate at Parel, Bombay.

The company holds a lease from Government for 999 years from the 6th June, 1928 of approximately.....square yards of land on the west side of Matunga Road, Bombay, on which the "X Mills" are constructed.

The X Mills contain 61,488 spindles and 1,800 looms and comprise a dye and bleach house. The mills are equipped with the latest type of machinery electrically driven and have cost to date approximately Rs. 85,00,000. of which Rs. 30,00,000, represent the cost of land and buildings and Rs. 55,00,000 the cost of machinery.

The X Mills commenced work in July, 1928.

The company also owns two pieces of foras land adjoining the X Mills compound containing together about. .....square yards upon which stand nine ranges of chawls for the occupation of the mill operatives.

In the year 1931 the company purchased from the liquidators of The Bombay Spinning and Weaving Company, Limited, for Rs.....the whole of the property and undertaking and the goodwill of that company, as a going concern. The company thus became the owner of the "Y Mills" at Parel, Bombay, with approximately.....square yards of land, of which about.....square yards are of pension and tax tenure, about 13,000 square yards are improvement trust 999 years leasehold and about.....square yards are leasehold for 99 years perpetually renewable. The Y. Mills are equipped with 48,248 spindles and 1,187 looms and the before mentioned purchase price of Rs.....was allocated at the time

of purchase as follows:—land Rs.....; buildings Rs.....; machinery Rs.....and goodwill Rs.....

The funds for the purchase were made available from unsecured loans and deposits.

It will have been observed from the very large area of the company's mill compound at Matunga Road that the company has great scope for extension on that site, and it is the intention in the course of time when sufficient electric power is available to transfer the machinery from the Y Mills to the X. Mills and thus render the site of the Y Mills available for building or for selling or leasing for building purposes.

The site of the Y Mills, which abuts on three public roads, namely, the Parel Road, is in a residential locality where the value of land and buildings has very greatly appreciated in recent years, and it is anticipated that as soon as the site can be made available it will be capable of being disposed of at favourable prices.

Upon a conservative estimate of Rupees.....per square yard the company's land at Matunga Road should alone be worth at the present time the sum of Rs....., and at the rate of Rupees.....per square yard the land at Parel, should be worth the sum of Rs..... With the buildings the company's immoveable properties are estimated to be of the present value of Rs.....

The engines, plant and fixed machinery of the two mills, which will form part of the debenture-holders security, stand in the company's books as of the value of Rs.....

The money to be raised by the issue of the debentures now offered for subscription is required to reduce the amount of the company's unsecured loans applied towards the purchase of the Y Mills, and for further working capital rendered necessary by the development of the company's business.

The combined profits of the company from the working of the two mills for the period of ending the 31st December, 1932 was Rs..... ..after providing the sum of Rs.....for payment of interest on unsecured loans and deposits, which sum will be reduced by paying off some of such unsecured loans out of the proceeds of this issue. The profits of the company should be ample to meet the interest on this issue of debentures, which will amount to Rs.....

No part of this issue has been underwritten and no underwriting commission has been or will be paid.

The following contracts, not being contracts entered into by the company in the ordinary course of its business, have been entered into within the period of two years preceding the date of this prospectus:—

(a) An agreement to let to The Bombay Motor Car Company, Limited, for a term to expire on the 31st July, 1951, a piece of land containing 2,945 square yards with the buildings there on forming portion of the company's immovable property at Parel Bombay, at the monthly rent of Rs.....

(b) An agreement to let to The United Publicity Corporation, Limited for the period of three years from the 1st December, 1932, certain other buildings forming portion of the abovementioned property at the monthly rent of Rs.....

(c) An agreement to let to A. B. and Company, Limited, for a term to expire on the 31st July, 1951 certain other buildings forming portion of the abovementioned property at the monthly rent of Rs.....

These three leases are to be completed by the company and if not completed before the execution of the beforementioned trust deed the trustee for the debenture-holders will be required to become parties thereto.

Applications in the annexed form should be filled up and sent to the company's agents Messrs. A. B. Sons, Limited, Bank Street, Fort, Bombay, accompanied by the deposit of Rs.....upon each debenture applied for. When no allotment is made the deposit will be returned in full.

Preference will be given in allotting the debentures to applicants who are shareholders in the company.

The draft or copy of the proposed trust deed and form of debenture as appearing therein and a copy of the balance sheet of the company as at the 31st December, 1921, can be inspected at the registered office of the company at any time between the hours of 11-30 A.M. and 4-30 P.M. (Standard Time) or any week day not being a public holiday, other than Saturdays when the hours for inspection will be between 11-30 A.M. and 1 P.M. and applicants for debentures

Dated at Bombay, this 2nd day of February, 1934.

Registered office,
Ismail Building,
Churchgate Street,
Fort, Bombay.

A. B.
C. D.
by his constituted attorney.
E. F.
G. H.
I. J.
K. L.
M. N.

DEBENTURE APPLICATION FORM.

This from of application must be sent entire to Messrs C. and Co., Ewart House, Tamarind Lane, Fort, Bombay, or the mills office at Bangalore or the Company's Bankers the India Bank, Limited.

No. ....

EXCEL MILLS LIMITED.

Issue of 7½% debentures of the aggregate nominal value of Rs. 18,00,000.

To

THE DIRECTORS OF
EXCEL MILLS LIMITED.

GENTLEMEN,

I|We beg to apply for.....debentures of the above issue on the terms of the annexed prospectus, dated the.....193 . I|We have paid to the Company's *Managing Agents, Messrs. C. and Co., Bombay or the Mill Office at Bangalore*, Bankers, The Indian Bank, Limited, the sum of Rupees.....being the amount of the required deposit of rupees two hundred per debenture and I|We undertake to accept the number of debentures applied for by me|us or any less number you may allot to me|us and to make the remaining pay-

ments in respect thereof at the times specified in the said prospectus.

Yours faithfully,

Signature.....
Name in full.....
Address.....
.....
.....
Occupation, etc.....

Dated.....193 .
No.....

EXCEL MILLS LIMITED.

RECEIPT FOR APPLICATION DEPOSIT.

Received the.....day of.....193
from..... ....the sum of Rupees.....being a deposit of Rs. 200 per debenture on..... .....debentures of the abovenamed company.

For
The Indian Bank Limited.....
Rs.....

N. B.:—This receipt must be preserved to be exchanged hereafter for a debenture bond.

FORM OF INTEREST COUPON FOR DEBENTURE.

THE BOMBAY X. Y. Z. CO., LTD.

Debenture No..... Interest coupon No.....

For Rupees.....being half-year's interest due on the first day of.....One thousand nine hundred and thirty and payable at the registered office of the company in Bombay.

For and on behalf of
THE BOMBAY X. Y. Z. CO., LTD.
(Sd.) X. Y. & Co.
Agents.

CERTIFICATE
OF
REGISTRATION OF MORTGAGE, ETC.

Under Section 114 of the Indian Companies Act VII of 1913.

BY WAY OF DEBENTURE TRUST DEED.

Re mortgage charge dated.....made between The Indian X. Y. Z. Company, Limited of the one part and A. B. and C. D. of the other part.

Pursuant to the provisions contained in section 114 of the above act, I hereby certify that the above mortgage charge for Rs..... has been registered in this office in accordance with the provisions contained in that behalf in sections 109 to 112 of the said act.

Dated at Bombay, this.....day of.....one thousand nine hundred and.....

(Sd.) X. Y. Z.
Registrar of Companies.

The Seal of the Registrar of Companies Bombay.

PRECEDENT OF A DEBENTURE TRUST DEED.

This Indenture made the twentieth day of January, one thousand nine hundred and thirty between the Indian Spinning and Weaving Company, Limited, a company registered under the Indian Companies Act, 1913, and having its registered office in Bombay hereinafter called "The Company" of the first part and A. B. and C. D. both of Bombay Parsi Inhabitants hereinafter called "The Trustees" of the other part *whereas* the company is seized and possessed of or otherwise well and sufficiently entitled to the lands and hereditaments particularly described in the first schedule hereunder written free from incumbrances *and whereas* the company is absolutely entitled and possessed of the engines boilers mill wright gear plant machinery installations implements equipment tools articles and things short particulars whereof are set out in the second schedule hereunder written *and whereas* on the twentieth day of December, one thousand nine hundred and twenty-one the Government of Bombay hereinafter referred to as "the Government" granted to F. G. & Co., a license styled "the Indian Electric License 1921" under the Indian Electricity Act, 1903, for the supply of electrical energy in the areas with the powers and upon the terms and conditions in the license specified *and whereas* the directors of the company being duly empowered in that behalf by its Memorandum and Articles of Association have resolved to raise a sum of Rupees fifty lakhs by the issue of debentures for the amount bearing interest at the rate of seven per cent per annum framed in accordance with the form set forth in the third schedule hereunder written and to secure the repayment of principal moneys and payment of interest for the time being payable in respect of such debentures in the manner hereinafter appearing *anl whereas* the trustees have consented to act as trustees of the said debentures for the benefit of the debenture-holders upon the terms hereinafter contained NOW THIS INDENTURE WITNESSETH and it is hereby mutually agreed and declared by and between the parties hereto as follows:—

Interpretation.

1. The marginal notes hereto shall not affect the construction hereof and in these presents unless there be something in the subject or context inconsistent therewith the expressions following shall have the meanings hereinafter mentioned, that is to say:—

"The Trustees" means the trustees abovenamed or the survivors or survivor of them, or other the trustees or trustee for the time being hereof.

"The Debentures" means the debentures issued by the company under the provisions of and secured by these presents or as the case may be the amount thereof for the time being outstanding and unredeemed.

"The Debenture-holders" means the holders for the time being of the debentures.

"Specifically mortgaged premises" means the hereditaments and premises and machinery and plant by clauses two and three hereof respectively expressed to be assured and the license when assigned to the trustees and all other property of the company hereby made a specific security for the payment of the moneys for the time being owing and intended to be secured by these presents and all other property hereafter with the consent of the trustees assured by the company to them on the footing that the same shall be considered part of the specifically mortgaged premises.

"The general assets" means the assets of the company comprised in the floating charges created by clause four hereof and does not include the specifically mortgaged premises.

"The mortgaged premises" means and includes the specifically mortgaged premises and the general assets collectively.

Words importing the singular number only include the plural and vice versa.

Words importing the masculine gender only include the femine.

Words importing persons include corporations.

Grant of Freeholds.

2. The company doth hereby grant convey assure and transfer unto the Trustees all and singular the lands hereditaments and premises described in the First Schedule hereunder written according to the respective tenures thereof together with all buildings standing and being thereof or on some parts thereof and all trees fences hedges ditches ways sewers drains water courses liberties privileges easements and appurtenances whatsoever to the said hereditaments and prmises or any of them or any part thereof belonging or in anywise appertaining or usually held occupied or enjoyed therewith or reputed to belong or be appurtenant thereto and all the estate right title interest claim and demand whatsoever of the company into and upon the same premises *to hold* all and singular the same premises unto and to the use of the Trustees but upon the trusts and for the purposes hereinafter expressed and declared of and concerning the same.

Transfer by Company of Machinery Plant etc.

3. The Company doth hereby assign unto the Trustees all and singular the fixed machinery plant, engines boilers mill wright gear fixtures electrical

equipment, implements, tools, appliances, accessories, furniture, articles and things short particulars whereof are set out in the second schedule hereunder written which now are or shall from time to time hereafter during the continuance of this security be in or upon or about the hereditaments and premises hereinbefore expressed to be hereby granted or fixed or attached to any building now standing or hereafter erected on the same premises all which premises both present and future are hereinafter called the plant and all the estate right title interest claim and demand whatsoever of the company in to and upon the same premises *to hold* the same premises *unto* the Trustees absolutely but upon the Trusts and for the purposes hereinafter declared, of and concerning the same.

Floating charge on Company's assets (except Liquid Assets) other than specifically mortgaged premises.

4. The company hereby charges in favour of the Trustees with the payment of the debentures and the interest payable in respect of the debentures and all other moneys hereby secured all the property and assets ofthe company for the time being both present and future other than the specifically mortgaged premises save and except the Liquid Assets of the company but including the uncalled capital of the company and its goodwill and undertaking and moneys now standing or hereafter carried to the credit of any Reserve Fund, Reserve Dividend Fund, Fire Insurance Fund, Depreciation and Repair Fund or any other Fund created by the company in accordance with the Company's Articles of Association and the investments for the time being representing the same and the charge hereby created shall rank as a floating charge and shall accordingly in no way hinder or prevent the company from mortgaging selling alienating lessing paying dividends out of profits or otherwise disposing of or dealing with the premises charged by this clause in the ordinary course of its business and for the purpose of carrying on the same but so that the company shall not be at liberty to create without the previous consent in writing of the Trustees any mortgage or charge upon the property and assets charged by this clause or any part thereof ranking in priority to or *pari pasu* with the security hereby created. The liquid assets hereinbefore excepted from the charge created by this clause shall include all cotton. waste, yarn cloth whether manufactured or in process and whether in bales packages bundles pieces or loose and whether finished or unfinished coal and all stores and spare parts and all outstandings and book debts of the company and all cash and moneys at company's Bankers or otherwise.

5. The company will after obtaining from the

Assignment of the License.

Government proper sanction assign and transfer unto the Trustees the License and the full benefit thereof and the undertaking of the company as the present Licencees thereunder *to hold* the same unto the Trustees absolutely by way of mortgage for securing the payment of the debentures and the interest payable in respect of the debentures and all other moneys hereby secured.

Company to convey demise and assign future property.

6. The company will without any demand on the part of the Trustees convey unto the Trustees all lands and hereditaments of freehold tenure which may hereafter be acquired by the company for the purposes of the company's undertaking upon and for the trusts and purposes in these presents contained and will assign or demise unto the Trustees as they may direct all lands and hereditaments of leasehold tenure which may hereafter be acquired by the company for the purposes of its undertaking for the whole of the respective terms for which the same respectively shall be vested in the company except the last days of such respective terms upon and for the trusts and purposes in these presents contained and will transfer and assign all machinery plant equipment articles and things of the nature mentioned in clause there hereof which may hereafter be acquired by the company for the purposes of its undertaking upon and for the trusts and purposes herein contained and all such lands hereditaments securities articles and things shall as and when the same shall be acquired by the company become and be part of the specifically mortgaged premises.

Trusts of mortgaged premises.

7. The Trustees shall permit the company to hold and enjoy the mortgaged premises and every part thereof and to carry on therein and therewith the business or any of the businesses of the company authorised by the Memorandum of Association of the Company until the security hereby constituted shall become enforceable as hereinafter provided and at any time after the same shall have become enforceable the Trustees may in their discretion without any such request as next hereinafter mentioned and shall upon being requested in writing by the holder or holders of at least one half of the debentures for the time being outstanding or by a Extraordinary Resolution of a meeting of the Debenture-holders passed in accordance with the provisions of the fourth schedule hereto (but in either case without any further consent on the part of the company) enter upon and take possession of the mortgaged premises or any of them respectively and may at the like discretion and shall upon the like request sell call in collect and

convert into money the mortgaged premises or any part thereof with full power to sell any of the mortgaged premises either together or in parcels (and as to the fixed machinery and plant either together with the buildings or land to or upon which the same shall be fixed or stand or be or separately or detached therefrom) and either by public auction or private contract and with full power upon every such sale to make any special or other stipulations as to title or evidence or commencement of title or otherwise or as to the removal of any property which may be sold separately, or detached from the buildings and land or otherwise which the Trustees shall deem proper and with full power to buy in rescind or vary any contract for sale and to resell the same without being responsible for any loss which may be occasioned thereby and with full power to compromise and effect composition and without the request or concurrence of the company to do with regard to the mortgaged premises generally all or any of the things which the Trustees are hereby authorised to do or concur in doing with regard to the specifically mortgaged premises and for the purposes aforsaid or any of them to execute and do all such assurances and things as the Trustees shall think fit.

7. The issue of debentures is limited to Rupees Fifty Lacs.

The Debenture to be a first charge and to rank *pari passu*.

9. The principal moneys and interest payable in respect of the debentures shall be a first mortgage on the premises hereby respectively granted conveyed transferred and assigned or hereby covenanted to be assured and also a first charge on the premises hereby charged and shall have precedance over all moneys which may hereafter be raised by the company by any means whatsoever and as between the holders interest of the every and between the holders interest of the debentures the debentures shall rank *pari passu* without any preference or priority by reason of date of issue or otherwise.

When security enforceable.

10. The security hereby constituted shall (subject to the next succeeding clause hereof) become enforceable in each and every of the following events:—

(a) If the company makes default in the payment of any principal moneys which ought to be paid in accordance with these presents.

(b) If the company makes default in the payment of any interest hereby secured on the date when such interest is by these presents made payable.

(c) If the company makes default in providing or applying the sinking fund to be established for

the redemption of the Debentures as provided by the conditions set out in the third Schedule hereunder written.

(d) If a distress or execution is levied upon any part of the mortgaged premises or if a receiver of the Company's undertaking or property or any part thereof is appointed and such distress or execution is not satisfied or such Receiver discharged within fifteen days from the date of the levy or the appointment of the Receiver as the case may be.

(e) If the Company ceases or threatens to cease to carry on its business or stops payment or it appears to the Trustees that the liabilities of the Company exceed its assets including any uncalled capital or that the further prosecution by the Company of its business will endanger the security of the Debenture-holders.

(f) If an order shall be made or an effective resolution passed for winding up the Company.

(g) If the Company commits a breach of any of the covenants or provisions herein contained and on its part to be observed and performed.

(h) If the Company shall make any alteration in the provisions of its Memorandum or Articles of Association which in the opinion of the Trustees is likely detrimental to affect the interests of the Debenture-holders and shall upon demand by the Trustees refuse or neglect or be unable to rescind such alteration.

(i) If the Company shall without the consent in writing of the Trustees create or purport or attempt to create any charge or mortgage ranking or which by any means may be made to rank on the premises hereby respectively mortgaged and charged *pari passu* with or in priority to the security hereby consisted.

When notice to be given before enforcing security.

11. Before enforcing the security hereby created whether by entry sale calling in collection or conversion or other dealing under the aforesaid Trust in that behalf (hereinafter referred to as "the trust for conversion") the Trustees shall except in the case of such order or resolution for winding up the Company as aforesaid having been made or passed or of the happening of any of the events (c) (e) (h) and (i) mentioned in the last preceding clause and except when the Trustees shall certify in writing that further delay would in their opinion be detrimental to the interests of the Debenture-holders give written notice of their intention to the Company and shall not execute the trust for conversion if in the case of such trust arising by reason of any default in payment of any principal moneys or interest the Company shall prove to the trustees payment of any principal moneys or interest so in

arrear within one calendar month next after such notice shall have been given to the Company or if in the case of such trust arising by reason of any such execution distrees or process as aforesaid or any breach of covenant or provision as aforesaid the Company shall upon such notice as aforesaid being given remove or discharge such distress execution or process or fully perform the covenant or provision so broken if capable of then being performed or make good the breach thereof to the satisfaction of the Trustees PROVIDED that no sale shall be effected in connection with the trust for conversion so far as regards any immovable property of the Company unless and until the conditions of exercise specified in Section 69 of the Indian Transfer of Property Act., 1882 or any statutory amendment thereof have been satisfied.

Protection of purchasers etc.

12. No purchaser mortgagor mortgagee debtor or other person dealing with the Trustees or any Receiver appointed by them or with their or his attorneys or agents shall be concerned to enquire whether the power exercisable or purported to be exercised has become exercisable or whether any money remains due on the security of these presents or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall have been made or otherwise as to the propriety or regularity of such sale calling in collection or conversion or to see to the application of any money paid to the Trustees or to any such Receiver Attorneys or Agents and in the absence of *mala fides* on the part of such purchaser mortgagor mortgagee debtor or other person such dealing shall be deemed so far as regards the safety and protection of such purchaser mortgagor mortgagee debtor or person to be within the powers hereby conferred and to be valid and effectual accordingly and the remedy of the Company its assigns in respect of any impropriety or irregularity whatsoever in the execution of such trusts shall be in damages only.

Trustees receipts.

13. Upon any sale calling in collection or conversion or other dealings under any of the provisions hereby contained the receipts of the Trustees for the purchase money of the premises sold and for any other moneys paid to them shall effectually discharge the purchaser or person paying the same therefrom and from being concerned to see to the application or being answerable for the loss or misapplication thereof.

Trusts of proceeds.

14. The Trustees shall hold the moneys to arise from any sale calling in collection or conversion under the trust for conversion upon trust that they shall thereout in the first place pay or retain the costs and expenses incurred in or about the execu-

tion of such trust or otherwise in relation to these presents including the remuneration of the Trustees if any and shall apply the residue of such moneys, first, in or towards payment to the Debenture-holders *pari passu* in proportion to the debentures held by them respectively and without any preference or priority whatsoever of all arrears of interest remaining unpaid on the debentures held by them respectively, secondly in or towards the payment to the debenture-holders *pari passu* in proportion to the debentures held by them respectively and without any preference or priority on account of priority of issue of all principal moneys due in respect of the debentures held by them respectively, and that whether the same principal moneys shall or shall not then be payable, and thirdly, shall pay the surplus (if any) of such moneys to the Company or its assigns PROVIDED ALWAYS that if the moneys available shall not be sufficient to pay in full the principal moneys and interest due to the Debenture-holders the Trustees shall be at liberty to pay the principal moneys due before paying the moneys due in respect of interest.

Power to withhold payment until sufficient to pay ten per cent.

15. If the amount of the moneys at any time available under the last preceding clause hereof shall be less than ten per centum on the Debentures the Trustees may at their discretion invest such moneys upon some or one of the investments hereinafter authorised with power from time to time at the like discretion to vary such investments and such investments with the resulting income thereof may be accumulated until the accumulations together with any other funds for the time being under the control of the Trustees and applicable for the purpose shall amount to a sum sufficient to pay ten per centum upon the debentures and then such accumulations and funds shall be applied in manner aforesaid.

Notice of payment to be given.

16. The Trustees shall give not less than seven days' notice in accordance with the provisions as to notice hereinafter contained of the day place and time for any payment to the debenture-holders under the two last preceding clauses hereof and after the day so fixed holders of the Debentures shall be entitled to interest on the balance only (if any) of the principal moneys due on such debentures after deducting the amount (if any) payable in respect thereof on the date so fixed.

Receipt of Debenture-holder.

16. The receipt of such debenture-holder for the principal moneys and interest payable by the Trustees to him in respect of such debentures shall be a good discharge to the Trustees.

Power of Trustees to carry on business after entry.

17. After the Trustees shall have made such entry or taken possession as aforesaid and until

the whole of the mortgaged premises shall be sold called in collected and coverted into money under the Trust for conversion the Trustees may if they shall think fit so to do but not otherwise carry on the business of the Company in and with the mortgaged premises or any part thereof and may for the purpose of carrying on the said business do all or any of the following things:—

(a) Employ such exports agents managers clerks accountants servants workmen and others and upon such terms and with such salaries wages or remuneration as they shall think proper.

(b) Renew such of the machinery plant articles and things of the nature mentioned in clause four hereof as shall be worn out or lost or otherwise become unserviceable and repair and keep in repair the buildings factories works machinery plant and other property comprised in the mortgaged premises.

(c) Provide all such machinery materials and things as they may consider necessary.

(d) Insure all or any of the mortgaged premises of an insurable nature against loss or damage by fire or other risk in such sums as they shall think fit.

(e) Settle, arrange, compromise and submit to arbitration any accounts claims questions whatsoever which may arise in connection with the said business or the mortgaged premises or in any way relating to the security and execute releases or other discharges in relation thereto.

(f) Bring, take, defend, compromise, submit to arbitration and discontinue any actions suits or proceedings whatsoever civil or criminal in relation to the business or any portion of the mortgaged premises.

(g) Allow time for payment of any debts either with or without security.

(h) Execute and do all such acts deeds and things as they may think necessary or proper for or in relation to any of the purposes aforesaid.

(i) Demise the mortgaged premises or any part or parts thereof for such terms at such rents and generally in such manner and upon such conditions and stipulations as they shall think fit.

(j) Generally do and cause to be done such acts and things respecting the business of the Company and the mortgaged premises as they could do or cause to be done if they had the absolute ownership of the mortgaged premises and had carried on the said business for their own benefit without being answerable for any loss or damage which may happen thereby.

Power for Trustees to borrow.

The Trustees may for the purposes of this clause or any of them advance borrow or raise money on

security of the mortgaged premises or any part thereof in priority to the debentures and at such rate of interest and on such terms as the Trustees may think fit.

How Trustees may give up possession.

18. If and when the Trustees shall have made an entry upon or taken possession of the mortgaged premises under the powers conferred upon them by these presents they with the authority of an Extraordinary Resolution of the Debenture-holders passed at a meeting held in accordance with the provisions contained in the fourth Schedule hereto may at any time afterwards give up possession of the mortgaged premises or any of them or any part thereof to the Company either unconditionally or upon such terms and conditions as may be specified in such resolution.

Application of moneys from carrying on business.

19. The Trustees shall out of the moneys to be made by them in carrying on the said business and out of the rents profits and income of the mortgaged premises pay and discharge the costs charges and expenses incurred in carrying on the business including the remuneration of the Trustees and of the Receiver (if any) and in the management of the mortgaged premises or in the performance or exercise or the attempted performance or exercise of their powers and duties under the trusts of these presents and all other outgoings which they shall think fit to pay and shall pay and apply the residue of the said receipts rents profits and moneys in the manner hereinbefore directed with respect to moneys to arise from any sale calling in collection and conversion under the trust for conversion.

Power to appoint Receiver.

20. At any time after the security hereby constituted shall have become enforceable the Trustees may by writing appoint a Receiver of the mortgaged premises or any part thereof and remove any Receiver so appointed and appoint another in his stead and the following provisions shall have effect:—

(1) Such appointment may be made either before or after the Trustees shall have entered into or taken possession of the mortgaged premises or any part thereof.

(2) Such Receiver may be invested by the Trustees pursuant to the powers of delegation hereinafter contained with such of the powers and discretions exercisable by the Trustees hereunder as the Trustees may think expedient.

(3) Unless otherwise directed by the Trustees such Receiver may exercise all the powers and authorities vested in the Trustees by Clause 17 thereof.

(4) Such Receiver shall in the exercise of his powers authorities and discretions conform to the regulations and discretions from time to time made

and given by the Trustees.

(5) The Trustees may from time to time fix the remuneration of such Receiver and direct payment thereof out of the mortgaged premises.

(6) The Trustees may from time to time at any time require any such Receiver to give security for the due performance of his duties as such Receiver and may fix the nature and amount of the security to be so given but the Trustees shall not be found in any case to require any such security.

(7) Save so far as otherwise directed by the Trustees all moneys from time to time received by such Receiver shall be paid over to the Trustees to be held by them on the trusts declared by Clause 19 hereof of and concering the moneys to arise under Clause 17 herof.

(8) The Trustees may pay over to such Receiver any moneys constituting part of the mortgaged premises to the intent that the same be applied for the purposes hereof by such Receiver and the Trustees may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver.

(9) The Trustees shall be in no way responsible for any misconduct or negligence on the part of any such Receiver and shall be in no way liable for or in respect of any debts or other liabilities incurred by any such Receiver whether the Company shall or shall not be in liquidation.

(10) Every Receiver appointed under the provisions thereof shall be deemed to be agents of the Company and the Company shall be solely responsible for such Receiver's acts and defaults and for his remuneration.

Subject as aforesaid the provisions of the Indian Trustees and Mortgagees Powers Act, 1866 and the powers thereby conferred on a mortgagee or Receiver shall so far as applicable apply to such Receiver.

Dealings with specifically mortgaged premises.

21. At any time before the security hereby constituted becomes enforeable the Trustees may upon the request and at the expense of the Company but only if and so far as in their opinion the interests of the Debenture-holders shall not be prejudiced thereby do or concur in doing all or any of the things following that is to say:—

(1) Sell call in collect and convert any part or parts of the specifically mortgaged premises in such manner and generally on such terms and conditions as the Trustees may deem expedient and give any options to purchase.

(2) Let on lease agreement or otherwise howso-

ver any part or parts of the specifically mortgaged premises in such manner and on such terms as the Trustees may deem expedient and either for a rent fixed fluctuating or contingent and with or without premium and with or without powers to purchase the reversion and allow the whole or any part of any premium to be secured by a mortgage of the lessees' interest in the lease.

(3) Exchange any part or parts of the specifically mortgaged premises for any other property suitable for the purposes of the Company and upon such terms as the Trustees may deem expedient and either with or without payment of money for equality of exchange or otherwise.

(4) Acquire a new or renewed lease of any part of the specifically mortgaged premises which may at any time be held on lease for such term and at such rents and subject to such covenants conditions and terms as the Trustees may deem expedient and for that purpose surrender the then existing lease of such premises.

(5) Permit the Company or any nominee of the Company or of the Trustees to exercise any powers or rights incidents to the ownership of any of the specifically mortgaged premises on an undertaking to deal with the same in a specified manner.

(6) Set out appropriate grant or dedicate without consideration land forming part of the specifically mortgaged premises for the purpose of roads ways canals water courses gardens places of religious worship schools places of amusement places of recreation and other purposes public or private whether of the Company or otherwise which the Trustees may deem expedient.

(7) Assent to the modification of the License or of any leases contracts covenants or arrangements relating to the specifically mortgaged premises or any part thereof.

(8) Settle adjust refer to arbitration compromise and arrange all accounts reckonings controversies questions claims and demands whatsoever open unsettled or pending with any person or persons in relation to the specifically mortgaged premises.

(9) Release surrender or abandon on such terms as may seem to the Trustees expedient any of the specifically mortgaged premises which in the opinion of the Trustees may have become unprofitable or a source of loss or danger to the Company.

(10) Release in favour of the Company or its nominees any of the specifically mortgaged premises provided that in the judgment of the Trustees the security hereby constituted will not be thereby materially diminished in value or prejudicially

affected or provided that the Company shall vest in or charge in favour of the Trustees as part of the specifically mortgaged premises any property or rights suitable for the purposes of the Company and of at least equal value to the property released notwithstanding that such substituted property may at any time be part of the general assets.

(11) Apply moneys forming part of the specifically mortgaged premises in the purchase or acquisition of any property of any tenure including fixed machinery and plant thereon or any right of way or other easements or rights which the trustees may deem suitable for any of the purposes of the Company including any reversion whether in fee simple or otherwise expectant on the determination of any term forming part of the specifically mortgaged premises and acquire any such property which may have been purchased by the Company out of the general assets by payment to the Company of the price paid for the same or any lesser amount and where so arranged with the Company leave unpaid part of the purchase money on the footing that it is to be payable out of moneys subsequently becoming available for the purpose under this clause.

(12) Apply moneys forming part of the specifically mortgaged premises in the erection or construction of new or the improvement of any existing works buildings railways tramways fixed machinery and plant or other works and erections suitable for the purposes of the Company upon or in any lands forming part of the specifically mortgaged premises.

(13) Apply moneys forming part of the specifically mortgaged premises in developing improving protecting or preserving the specifically mortgaged premises or any part thereof or in preventing or endeavouring to prevent loss or apprehended loss thereof or detriment thereto.

(14) Apply moneys forming part of the specifically mortgaged premises in repaying to the company (by way of recoupment to the general assets) any sums which the Company may from time to time have expended out of the general assets upon any purpose specified in the two last preceding paragraphs of this clause.

(15) Enter into make execute sign and do all such contracts agreements receipts payments assignments transfers conveyances assurances acts and things and bring prosecute enforce defend and abondon all actions suits and proceedings in relation to the specifically mortgaged premises as the Trustees may deem expedient.

(16) Sanction and confirm anything done or

suffered by the Company.

(17) Do all or any of these things from time to time and at such time or times and on such terms and conditions and in such manner as the Trustees may approve.

(18) Generally and without being limited to the specific powers above given act in relation to the specifically mortgaged premises in such manner as the Trustees may in the interest of the Debenture-holders think expedient.

All capital moneys arising from any dealings under this clause and all property and assets acquired pursuant to the provisions of the clause shall become and be part of the specifically mortgaged premises and shall be paid to or vested in or specifically charged in favour of the Trustees in such manner as the Trustees shall require.

Interim Investment etc.

22. The Trustees shall pending any application thereof under the provisions of the last preceding clause hereof invest the capital moneys arising from any sale or other dealing under the said clause upon some or one of the investments authorised by the next succeeding clause hereof or place the same upon deposit with power from time to time at their discretion to vary such investments and to resort to and realise and apply the proceeds of realisation of any such investments for any of the purposes for which such moneys are under the last preceding clause hereof authorised to be applied and subject as aforesaid the Trustees shall stand possessed of the said investments UPON TRUST until the trust for conversion shall arise to pay the income thereof and any net moneys in the nature of income arising therefrom to the Company or its assigns and after the trust for conversion shall have arisen shall hold the said investments and the income thereof respectively and the net moneys in the nature of income upon and for the trusts and purposes hereinbefore expressed concerning the moneys to arise from any sale calling in collection and conversion under the trust for conversion PROVIDED ALWAYS that in default of such trust for conversion arising and after payment and satisfaction of all moneys intended to be secured by these presents the said investments and the income thereof shall be held in trust for the Company or its assigns.

Investment Clause.

23. Any moneys which under the trusts herein contained ought to be invested may be invested in the names or under the legal control of the Trustees in any of the funds security or investments for the time being authorised by law in India for the investment of trust moneys or may be pledged on deposit in the name of the Trustees in such bank

or banks in Bombay as the Trustees may thing fit.

24. The Company shall and will at all times during the continuance of this security:— Company to carry on business effectually.

(1) Carry on and conduct the business of the Company in a proper and efficient manner. Keep accounts and permit inspection.

(2) Keep proper books of account and therein make true and proper entries of all dealings and transactions of and in relation to its business and keep the said books of account and all other documents relating to the affairs of the Company at its registered office or other place or places where the said books of account and documents of a similar nature ought in the ordinary course to be kept and allow the Trutees or any person nominated by the Trustees in writing at all reasonable times to have full access to all books accounts and documents of the Company. Give information.

(3) Give to the Trustees or to such person as aforesaid such information as they or he or any of them shall require as to all matters relating to the business property and affairs of the Company and furnish to the Trustees six copies of every report balance-sheet profit and loss account circular or notice issued to the share-holders of the Company at the time of its issue to the share-holders and the Trustees shall be entitled if they think fit from time to time nominate an accountant or agent to examine the books accounts documnts and property of the Company or any part thereof and to inesvtigate the affairs thereof and the Company shall allow any such accounant or agent to make such examination and invetigation and shall furnish him with all such information as he may require and shall pay all the cost charges and expenses of and incidental to such examination and investigation. Keep premises in repair.

(4) Keep all buildings works machinery plant equipment transmission-lines and other property for the time being forming part of the mortgaged premises in a good state of repair and in working order and condition and shall not without the previous consent in writing of the Trustees pull down or remove any such buildings works machinery plant equipment transmission-lines and other property except in the ordinary course of repair and renewal or otherwise in the course of and for *bona fide* purposes of the Company and the carrying on its business and will in such case forthwith repair renew or replace the property pulled down or removed where the same shall be capable of being repaired renewed or replaced. Permit Trustees to view state of premises.

(5) Permit the Trustes and such persons as they shall from time in writing for that purpose appoint to enter into and upon the mortgaged premises to view the state and condition thereof. Insure.

(6) Insure and keep insured such of the mortgaged premises as are of an insurable nature against loss or damage by fire (and in time of war in which the United Kingdom or India shall be engaged against explosion or damage by aircraft or other hostile means) in such amounts as the directors of the company shall in writing certify to be in their opinion sufficient to reinstate the same in the event of total loss in the joint names of the company and the trustees in such office or offices as the trustees shall approve and deliver the policies of such insurance to the trustees if required and duly pay the premiums and other sums of money payable in respect of such insurances and produce to the trustees the receipt for every such payment within seven days of the same becoming due and all moneys to be received by virtue of any such policy shall if received in respect of any part of the specifically mortgaged premises be paid to and applied by the trustees upon the company's request in making good any loss or damage which may so arise to the same premises or any of them or for any other purpose for which moneys forming part of the specifically mortgaged premises may be applied under the provisions of the clause 21 hereof which may seem to the trustees expedient in the interest of the company and the debenture-holders and if received in respect of the general assets shall be applied in making good the loss or damage sustained or in such other manner as the company shall think fit.

If default Trustees may repair and insure.

(7) If default shall be made in keeping the aforesaid premises in a good state of repair and in good working order and condition and so insured as aforesaid or in delivering any such receipt as aforesaid the trustees may repair the same premises or such of them as shall in their opinion require reparation and may insure and keep insured such of them as they may deem fit. And the company will on demand repay to the trustees every sum of money expended for the above purposes or any of them by the trustees with interest at the rate of seven per centum per annum from the time of the same respectively having been expended and until such payment the same shall be a charge upon the mortgaged premises in priority to the debentures.

Pay all rents etc.

(8) Duly and punctually pay all rents royalties rates taxes assessments stamp duties charges and other proper or usual outgoings and observe perform and comply with all covenants and obligations which ought to be observed by the company in respect of any part of the mortgaged premises.

Register Trust Deed.

(9) Duly register this trust deed in all respects so as to comply with sections 109, 110 and 111 of

the Indian Companies Act, 1913 and cause this trust deed to be registered in conformity with the provisions of the Indian Registration Act, 1908 or any statutory amendment thereof or any Act Ordinance or Regulation of or relating to any part of India within which any portion of the specifically mortgaged premises is or may be situated by which the registration of deeds is required and generally do all other acts (if any) necessary for the purpose of enguring the legal validity of this Trust Deed.

Consolidation and sub-division of Debentures.

(10) Upon the request in writing of the Bearer of any unregistered Debentures or of the registered holder for the time being of any Debentures and upon the surrender of such Debentures for consolidation will issue in substitution therefor one Debenture for the principal moneys secured by the surrendered Debentures or several each for a portion of such moneys and upon the like request and upon the surrender of any debenture or consolidated debenture for division will issue in substitution therefor several debentures each for a fraction of the principal moneys secured by the surrendered Debentures, every such fraction to be for Rs. 100 or a multiple thereof. The Debenture-holder surrendering as aforesaid must in each case pay all expenses of and incidental to the issue of the substituted Debenture and the surrendered Debentures shall be cancelled by the Company.

Not to pay dividends while money due for interest on debentures.

(11) Will not pay out of its net earnings or profits any dividend to any shareholders for any half-year or any interest or principal or any part of interest or principal which may be secured or payable to any subsequent encumbrances or any interest on any sums which may have been paid to the Company by any shareholder under the Articles of Association of the Company until the Company shall have first paid half-yearly interest then due and payable on the debentures.

(12) Make such alterations in the Articles of Association of the Company from time to time as may be required to give due effect to the provisions of these presents.

Covenants for title and for further assurance.

25. The Company hereby further covenants with the Trustees that notwithstanding anything by the Company done omitted or knowingly suffered the Company now has power to convey and assure the hereditaments and premises described in the first schedule hereunder written and to assign the machinery and plant unto the Trustees and to charge in favour of the Trustees by way of floating charge the property and assets mention in clause 4 hereof subject as in the said respective clauses mentioned and that it shall be lawful for the

Trustees upon entry upon all or any of the mortgaged premises pursuant to clause 7 hereof thenceforth to hold and enjoy the same and to receive the rents and profits thereof without any interruption or disturbance by the Company or any other person and that freed and discharged from or otherwise by the Company its successors and assigns sufficiently indemnified against all incumbbrances and demands whatsoever. And further that the Company will from time to time and at all times execute and do all such assurances acts and things as the Trustees may reasonably require for effectuating and completing the security intended to be hereby created and at any time and from time to time after the security hereby constituted has become enforceable the Company shall from time to time and at all times execute and do all such conveyances transfers assignments assurances acts and things as the Trustees may reasonably require for facilitating the realisation of the motrgaged premises and for exercising all the powers authorities and discretions hereby conferred on the Trustees and for the purposes of this clause a certificate in writing by the Trustees or the majority of them to the effect that any particular assurance act or thing required by them is reasonably required by hem shall be conclussive evidence of the fact.

Attorneys.

26. The Company hereby irrevocably appoints the Trustees to be the attorneys of the Company in the name and on behalf of the Company to execute and do all assurances acts and things which the Company ought to execute and do under the covenants and provisions herein contained and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred upon the Trustees or any Receiver appointed by them.

Protection to Trustees and Receivers.

27. The Trustees shall not nor shall any Receiver appointed as aforesaid by reason of the Trustees or such Receiver entering into possession of the mortgaged premises or any part thereof be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss upon realisation or for any default or omission for which a mortgagee in possession might be liable.

Application to the Court.

28. The Trustees may at any time after the security hereby constituted becomes enforceable apply to the Court for an order that the Trusts hereof be carried into execution under the direction of the Court and for the appointment of a Receiver or Receivers and Manager of the mortgoged premises or any port thereof and for any other order in relation to the administration of the Trusts thereof as the Trustees shall deem expedient

and they may assent to or approve of any application to the Court made at the instance of any of the debenture-holders and shall be indemnified by the Company against all the costs charges and expenses incurred by and in relation to any such appliaction or proceeding.

Remuneration.

29. The Company shall during the continuance of this security pay to the Trustees and if more than one in equal shares between them as and by way of remuneration for their services as Trustees the sum of Rupees Fifteen hundred per annum. Such remuneration shall be paid by equal half-yearly instalments payable respectively on the first day of April and the first day of October the first of such payments to be made on the first day of April one thousand nine hundred and thirty and in addition to the Company shall pay all reasonable and proper travelling and other costs charges and expenses which the Trustees or their agents may incur in relation to the execution of the trusts hereof. The said remuneration shall be deemed to accrue due *de die in diem* and shall continue payable until the trusts thereof shall be finally wound up and whether or not a Receiver or a Receiver and Manager shall have been appointed either by or at the instance of the Trustees or otherwise or the trusts hereof shall be in course of administration by or under the direction of the Court.

Provision in favour of Trustees.

30. By way of supplement to any powers conferred upon Trustees by law it is hereby expressly decalred as follows that is to say:—

(1) The Trustees may in relation to any of the provisions of these presents act on the opinion or advice of any lawyer valuer surveyor broker auctioneer accountant or other expert obtained by the Trustees or by the Company and shall not be responsible for any loss occasioned by so acting.

(2) Any such advice or opinion may be sent or obtained by letter cablegram or telegram and the Trustees shall not be liable for acting on any advice or information purporting to be conveyed by any such letter cablegram or telegram although the same shall contain some error or shall not be authentic.

(3) The Trustees shall be at liberty to accept as sufficient evidence a certificate signed by the Chairman of the Company and any two Directors of the Company to the effect that any particular dealing or transaction or step or thing is in the opinion of the persons so certifying expedient or that any perperty is suitable for the purposes of the Company or worth a specified sum or as to any other fact or matter upon which the Trustees may in the exercise of the trusts powers and pro-

visions hereof require to be satisfied and the Trustees shall be in no wise bound to call for further evidence or be responsible for any loss that may be occasioned by acting on any such certificate.

(4) The Trustees shall not bebound to give notice to any person of the execution hereof or to see to the performance or observance of any of the obligations hereby imposed on the Company or in any way to inferfere with the conduct of the Company's business unless and until the security hereby constituted shall have become enforceable and the Trustees shall have determined to enforce the same.

(5) The Trustees shall as regards the trusts powers authorities and discretions hereby vested in them have absolute and uncontrolled discretion as to the exrcise or non-exercise thereof and in the absence of fraud shall be in nowise responsible for any loss costs damages or inconveniences that may result from the exercise or non-exercise thereof.

(6) No Trustee hereof shall be liable for anything whatsoever except a breach of trust knowingly and intentionally committed by such Trustee.

(7) The Trustees shall be at liberty to place all title deeds and other documents certifying representing or constituting the title to any of the mortgaged premises for the time being in their hands in any safe deposit sale or receptacle selected by the Trustees or with any banker or banking Company or solicitor or firm of solicitors and to make such arrangements as they may think fit for allowing the Company, or its solicitors access to such title deeds or other documents or possession thereof when necessary or convenient and the Trustees shall not be responsible for any loss incurred in connection with any such deposit access or possession and the Trustees may pay all sums required to be paid account or in respect of any such deposit.

(8) The Trustees shall have full power to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination whether made upon a question actually raised or implied in the acts or proceedings of the Trustees shall be conclusive and shall bind all persons interested under these presents.

(9) The Trustees may in the conduct of the trust business instead of acting personally employ and pay an agent whether being a solicitor or other person to transact or concur in transacting all business and to do or concur in doing all acts required to be done in the trust including the

receipt and payment of money and any Trustee being a solicitor broker or other person engaged in any profession or business shall be entitled to be paid all usual professional charges for business transacted and acts done by him or any partner of his in connection with the trusts hereof.

(10) The Trustees shall not be under any obligation to examine or enquire into the title of the Company to the mortgaged premises or any part thereof or to see to the registration of these presents or any other deed or document executed under the provisions hereof and the Trustees shall not be responsible for any loss arising through any defect or insufficiency of title whether the same might have been discovered upon an examination and remedied or not or through any failure to register these presents or any such other deed or document as aforesaid.

(11) The Trustees shall not incur any responsibility in respect of the proceeds of the Debentures or be under any obligation to see to the application thereof.

Indemnity of Trustees and their Receivers Attorneys and other Agents.

31. Without prejudice and in addition to the rights to indemnity given to Trusees by the laws of India the Trustees and every Receiver, attorney, manager, agent or other persons appointed by the Trustees hereunder shall be entitled to be indemnified out of the mortgaged premises in respect of all liabilities costs charges and expenses incurred in the execution or purported execution of the trusts hereof or of any powers authorities or discretions vested in them or him pursuant to these presents including liabilities and expenses consequent on any mistake oversight error of judgment forgetfulness or want of prudence on the part of the Trustees or any such appointee and against all actions proceedings costs claims and demands in respect of any matter or thing done or omitted in anywise relating to the premises and Trustees may retain and pay out of any moneys in their hands upon the trusts of these presents all sums necessary to effect such indemnity and also the remuneration and expenses of the Trustees as hereinbefore provided.

Payment by Company on demand of moneys due to Trustees Receivers etc.

32. The Company shall on demand by the Trustees or any Receiver attorney manager agent or other person appointed by the Trustees pursuant hereto pay every sum of money which shall from time to time be payable to any such person pursuant to any provision hereof together with interest at the rate of seven per centum per annum as from the date when the same shall have been advanced or paid or become payable or due and as regards liabilities the Company will on demand pay and satisfy or obtain the release of such

person from such liabilities.

Meetings of Debenture-holders.

33. The provisions contained in the fourth Schedule hereto shall effect in the same manner as if such provisions were herein set forth.

Waiver.

34. The Trustees may from time to time and at any time whenever they think it expedient in the interests of the Debenture-holders waiver on such terms and conditions as to the Trustees shall seem expedient any breach or non-performance by the Company of any of the covenants conditions provisions or obligations in these presents contained.

Delegation.

35. The Trustees may, whenever they think it expedient in the interests of the debenture-holders delegate to any person all or any of the trusts powers and discretions vested in the Trustees by these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Trustees may in the interests of the debenture-holders think fit and the Trustees shall not be in anywise responsible for any loss incurred by any misconduct or default on the part of any such delegate or sub-delegate.

Appointment of Co-Trustees as attorney or Trustee.

36. Any of the Trustees may authorise by power of attorney or otherwise in writing any co-trustee to join concur or consent on behalf of the trustees so authorising in the execution or exercise of all or any of the trusts powers and discretions vested in the Trustees by these presents.

Trustees not liable for not enforcing powers until requested.

37. The Trustees shall not be liable for any default omission or delay in performing or exercising any of the powers or trusts herein expressed or contained or any of them or in enforcing the covenants herein contained or any of them or in giving notice to any person or persons of the execution hereof for in taking any other steps which may be necessary expedient or desirable for the purposes of perfection the security hereby intended to be erected or of completing or perfection or protecting the title or rights of the Trustees to or over any of the mortgaged premises or for any loss or injury which may be occasioned by reason thereof unless the Trustees shall have been previously requested to perform exercise or do any of such powers trusts acts or things or to take any such steps as aforesaid by notice in writing by the holder or holders of at least one-half of the Debentures for the time being outstanding or by an Extraordinary Resolution of a meeting of the Debenture-holders passed in accordance with the provisions of the fourth Schedule hereto and the Trustees shall not be bound to perform exercise or do any such powers acts or things or to take any such steps unless and until sufficient moneys

shall have been provided or provision to the satisfaction of the Trustees made for providing the same by or on behalf of the debenture-holders or some of them in order to provide for any costs and expenses which the Trustees may incur or may have to pay in connection therewith.

Notice to Debenture-holders.

38. Any notice required to be given either by the Company or by the Trustees for any purpose hereof shall be given by advertising the same and any notice so given shall be deemed to have reached the holder on the day following that on which it is advertised and any advertisements aforesaid shall be published at least once in one English and one Vernacular daily newspaper in Bombay. Provided that notice to registered holders shall be given by registered post at the registered address of the holder.

Trustees may enter into financial arrangements with the Company.

39. The Trustees shall not by reason of their Trusteeship be in anywise precluded from entering into any financial or business contract or transaction with the Company in the ordinary course of the Trustees' business whether in relation to the placing underwriting purchasing or subscribing for or lending money upon the debentures or any share debentures stock debentures or other securities of the company or in which the Company is interested or from accepting any office or profit under the Company and the Trustees shall be in nowise accountable to the Company or the Debenture-holders for any profits arising from any such contract transaction or office.

Trustees may have rpresentation on board.

40. The Directors shall during the continuance of this security elect or appoint in exercise of all powers vested in them in that behalf one nominee from time to time appointed in writing by the Trustees.

Majority of Trustees may act.

41. Whenever there shall be more than two Trustees hereof the majority of such Trustees shall be competent to execute and exercise all the trusts powers and discretions hereby vested in the Trustees generally.

Covenant to pay principal and interest.

42. The Company shall pay the principal moneys and interest secured by the Debentures in accordance with the tenor thereof and the conditions endorsed thereon respectively and shall observe and perform the several conditions endorsed thereon respectively.

Notice declaring Debentures payable.

43. At any time after the security hereby constituted becomes enforceable, and the Trustees shall have determined or become bound to enforce the same, they or he may by notice in writing to the Company declare that the Debentures are payable, and the principal moneys thereby secured shall thereupon become payable accordingly.

Register to be kept.

44. The Company shall at all times keep at the registered office an accurate register of Debentures, showing the number and amount of such Debentures and the date of issue, and in case of registered Debentures, the names addresses and descriptions of the registered holders and particulars of the Debentures held by them respectively and the Trustees and the Debenture-holders, or any of them shall be at liberty at all reasonable times to inspect the said Register, and to take copies of or extracts from the same or any part thereof.

Any assignment without proper consent void.

45. Any provision contained in these presents which but for this clause would amount to an assignment or other dealing without proper consent entitling any authority or other person to determine any license lease concession or privilege to which the Company is or may become entitled or would amount to a breach of obligation towards such authority or other person shall be void.

Proviso with respect to statutory character of undertaking.

46. Provided that if by reason of any part or parts of the undertaking of the Company being a statutory character or public nature, it shall not be competent for the Company legally to vest in the Trustees as regards any of its property and effects any of the powers, remedies, rights or authorities hereby expressed to be conferred on or vested in them these presents shall nevertheless operate so as to confer on and vest in the Trustees the greatest powers, remedies, rights and authorities which it is legally competent to the Company to confer on or vest in them in respect of and against such part or parts of the Company's undertaking, property and effects as aforesaid for securing the moneys intended to be hereby secured.

Stock exchange modifications.

47. The Trustees may concur with the Company in making any modifications in these presents which in the opinion of the Trustees it shall be expedient to make with a view to obtaining a quotation of the Debentures on the Stock Exchange in Bombay provided that the Trustees shall be of opinion that such modifications will not be prejudicial to the interests of the Debenture-holders.

Appointment of new Trustees &c.

48. The Statutory power of appointing new Trustees shall apply to these presents and be vested in the Debenture-holders to be exercised by a resolutoin of the Debenture-holders passed in manner specified in the fourth schedule hereto. A corporation or Company limited or unlimited may be appointed to be a Trustee of these presents and if thought fit a sole Trustee hereof. No Hindu, Mahomedan, or Buddhist or member of any other race sect or tribe or class from time to time specified for the purposes of Section 69 A of the

Transfer of Property Act, 1882 shall be appointed a Trustee.

Trustee may retire.

49. Any Trustee hereof may retire from the trusteeship at any time on giving notice in writing to the Company of such Trustee's intention so to do and on such notice being given such Trustee shall be discharged from the Trusts hereof and such Trustee shall not be responsible for any loss or costs occasioned by such retirement.

Re-conveyance.

50. Upon proof being given to the reasonable satisfaction of the Trustees that all debentures entitled to the benefit of the Trusts herein contained and for the time being issued have been paid off or satisfied or that provision for such payment or satisfaction has been made and upon payment of all costs charges and expenses incurred by and remuneration due to the Trustees in relation to these presents the Trustees shall at the request and cost of the Company re-convey and re-assign to the Company or as the Company may direct the specifically mortgaged premises or such part thereof as may then remain vested in the Trustees freed and discharged from the trusts hereby declared and otherwise release the mortgaged premises from the security hereby constituted.

Date of delivery of Debenture Certificates.

51. The Company shall not be under any obligation to have ready for delivery the certificates of the Debentures before the thirty first day of March one thousand nine hundred and thirty two.

General Covenants by Company.

52. The company hereby covenants with the Trustees that the company will duly perform and observe all the covenants conditions, provisions and obligations on its part in these presents contained.

IN WITNESS WHEREOF the Common Seal of the Indian Spining and Weaving Company, Limited has been hereunto affixed in the presence of two directors of that Company, and the abovenamed A. B. and C. D. have hereunto set their respective hands and seals the day and year first above written.

FORM OF DEBENTURE.

THE INDIAN SPINING AND WEAVING COMPANY, LIMITED.

(Registered under the Indian Companies Act, 1913.

Nominal Capital Rs.....divided into .....shares of Rs.....each.

Subscribed Capital Rs.....

Issue of 5,000 debentures of Rupees one thousand each bearing interest at seven per cent. per annum payable on the first day of .....and the forst day of.....in each year.

The issue is made under the power reserved to the directors of the company by its Memorandum of Association and Articles of Association and in pursuance of a resolution of the directors of the company passed on the.....day of.....one thousand nine hundred and thirty in terms of the trust deed.

Debenture No.....Rs. 1,000.

1. The Indian Spinning and Weaving Co., Ltd., having its registered office in Bombay (hereinafter called "the company") hereby binds itself to pay to the bearer hereof or if registered to the registered holder hereof on the first day of July, one thousand nine hundred and forty the sum of Rs. 1,000.

2. The company will during the continuance of this security pay interest thereon at tht rate of seven per cent. per annum by equal half-yearly payments on the first day of.....and the first day of.....in each year the first of such half-yearly payments or an apportioned part thereof to be made on the first day of.....one thousand nine hundred and thirty-two and in accordance with the coupons annexed hereto. If default is made in payment of any interest on the due date the company binds itself to pay compound interest at the said rate of seven per cent. per annum.

3. The holders of the debentures of this issue are and will be entitled *pari passu* to the benefit of and will be subject to the provisions contained in an indenture of trust dated..... day of.....One thousand nine hundred and..... made between the company of the one part and.....of the othtr part whereby the lands and hereditaments and buildings and the machinery and plant belonging to the company are vested in the said.....and other properties and assets of the company except its liquid assets but including the uncalled capital of the company and its undertaking and goodwill and any fund standing or hereafter carried to the credit of any reserve fund of the company are charged in favour of the same persons for securing the payment of the principal moneys and interest payable in respect of the said debentures.

4. This debenture is issued subject to the provisions of the abovementioned trust deed whereby all remedies for the recovery of the principal moneys and interest secured by the debentures are vested in the trustees on behalf of the debenture holders and it is accordingly expressly stipulated that this debenture shall operate only according to the tenor thereof and shall not confer on the holder any right of action or suit or of taking any proceedings whatever against the company.

5. This debenture is also issued subject to and with the benefit of the conditions endorsed hereon which are to be deemed part of it.

Given at Bombay under seal of the company this..... .....One thousand nine hundred and.....

The common seal of the Indian Spinning and Wtaving Co., Ltd., was hereto affixed pursuant to the resolution of the board, dated the..... day of.....One thousand nine hundred and.....in the

presence of.....two of the .....directors of the company who have affixed their signatures hereto.

(Sd.) A. B.
(Sd.) C. D.
(Directors).

Witnesses:

THE CONDITIONS ABOVE REFERRED TO.

1. This debenture is one of 5,000 debentures issued or about to be issued by the company for securing the principal sum of Rupees fifty lacs in the aggregate.

All the said debentures will be payable *pari passu* and rank equally as a first charge upon the property and assets of the company comprised or expressed or intended to be comprised in the Trust Deed of the.....day of.....One thousand nine hundred and.....referred to on the face thereof without any preference or priority over another.

2. The Debentures shall be redeemed in accordance with the following provisions, that is to say:—

The company shall establish a sinking fund for the redemption of the debentures and for that purpose appropriate and set aside on or before fifteenth day of January in the year 1935 and on or before the fifteenth day of January in every subsequent year a sum equal to three per cent. of the total amount of the debentures which shall have been issued at any time before each such appropriation whether still outstanding or not together in respect of every such appropriation except the first with a further sum equal to the interest calculated before deduction of Income-Tax for the last preceding year on the amount of the debentures for the time being redeemed under this provision and which would have been payable but for their redemption. Such sinking fund shall be applied by the company in each year in purchasing debentures provided that the price paid including stamps brokers' commission and other expenses of purchase shall exceed Rs. 1,000 for Rs. 1,000 nominal of debentures. If and so far as any money standing to the credit of the sinking fund shall not before the first day of April in any year have been applied in purchasing debentures as aforesaid the same shall as far a possible be applied in the redemption of the debentures at par by drawings and the following provisions shall apply:—

(a) Every such drawing shall be made during th month of May at the Registered Office of the company in Bombay in the presence of a Notary Public and some person appointed by the Trustees and due notice shall be given by the company of the date and time fixed for the drawing. Every such drawing shall be made in such manner as the Trustees shall direct or approve as convenient for selecting the amount of debentures requiring to be drawn.

(b) The company shall on each occasion forthwith after the drawing cause notice to be given giving full particulars of the Debentures which have been drawn and stating that the same will be redeemed on the next following thirtieth day of June at the Registered Office of the company in Bombay.

(c) At the time so fixed the holders of the debentures so drawn shall be bound to deliver the same to the company at the Registered

Office of the company in Bombay and on such delivery the company shall cause to be paid to such holders the amount payable to them in respect of such redemption. Interest shall cease to run in respect of the debentures drawn for redemption from the time fixed for redemption unless on presentation of the debentures payment shall be refused.

(d) All debentures purchased or redeemed under the provisions of the clause shall be cancelled and the company shall not be entitled to keep the same alive for the purpose of re-issue nor to re-issue the same not to issue any other debentures in the place thereof.

(e) any notice which the company may deem it advisable or necessary to give under the provisions of this clause shall be given in manner provided by clause 38 of the within-mentioned Trust Deed securing the debentures of this issue.

3. If in any year during the currency of the sinking fund the company shall buy any of the debentures otherwise than in pursuance of Clause 2 of these conditions the nominal value of the debentures so bought shall provided such debentures are cancelled so as not to be capable of re-issue be credited in or towards satisfaction or deduction of the moneys which would otherwise have been liable to be paid by the company to the said sinking fund at any subsequent date or dates.

4. Debenturs redeemed in accordance with clause 2 of these conditions shall only be redeemed in sums of Rs. 1,000 or multiples of Rs. 1,000 and accordingly in any year in which any sum of less than Rs. 1,000 has not been applied in redemption of debentures such sum shall be carried forward and added to the next year's payment on account of the sinking fund.

5. Any debentures not previously redeemed shall be repaid at par on the first day of July 1940 or earlier in the event of the security hereby constituted becoming enforceable before that date.

6. Annexed to this debenture are twenty one coupons providing for paymnt of half-year's interest and such interest will be payable on representation and delivery of the coupons referring thereto.

7. The principal moneys and interest hereby secured will be paid at the Registered Office of the company in Bombay.

8. If the principal money hereby secured shall become payable before the first day of July One the thousand nine hundred and forty the person presenting this debenture for payment must surrender therewith the coupons representing subsequent interest the company nevertheless paying the interest for the fraction of the then current half-year.

9. The registered holder for the time being of this debenture when registered, and the bearer hereof for the time being when not registered, and the bearer of each of the interest coupons aforesaid, shall be entitled to the principal money and interest secured by such instruments respectively free from any equities between the company and the original or any intermediate holders hereof and all person may act accordingly, and the receipt of such registered holder or bearer, as the case may be, for such principal money and interest shall be as good discharge to the company, which shall not be bound to inquire in to the title of such registered holder or bearer or save as herein provided and except as ordered by some Court of competent jurisdiction or as by statute required to take notice of

any trust or equities affecting the ownership of such instruments or moneys.

10. Except when registered this debenture is transferable by delivery but the company will at any time upon the request of the bearer (whilst unregistered) register him or his nominee in the register in the said Trust Deed mentioned, as the holder of this debenture, and indorse hereon a note of such registration and the company will also at any time upon the request of the registered holder or his executors or administrators cancel the registration and the note thereof indorsed hereon and thereupon this debenture will again become transferable by delivery. A fee of one rupee shall be paid to the company upon every such registration or cancellation.

11. A register of the debentures will be kept at the company's registered office as provided by the said Trust Deed.

12. Every transfer of this debenture when registered must be in writing under the hand of the registered holder of his executors or administrators. The transfer must be delivered at the registered office of the Company duly stamped and accompanied with a fee of one rupee and such evidence of identity or title as the company may reasonably require, and thereupon the transfer will be registered and a note of such registration will be indorsed hereon. The company shall be entitled to retain the transfer. The instrument of transfer shall be in such form as the company shall from time to time prescribe.

13. In the case of the death of any person registered also as the holder of any debentures the company and the Trustees shall recognise his executors or administrators and no other person as entitled to such debentures and in the case of the death of any person registered as one of several joint holders of any debentures the company and the Trustees shall recognise the surviving registered holder or holders alone as entitled to the debentures so jointly held. Before recognising the title of any executors or administrators the company may require the production of probate or letters of administration to the estate of the deceased registered holder and such other evidence as they may think necessary.

14. This debenture except when registered is to be treated as negotiable and the unregistered debentures and the coupons will pass by mere deliverey and shall be payable to bearer and all persons are invited by the company and the owner for the time being hereof to act accordingly.

SPECIMEN RULES AS TO DEBENTURE HOLDERS MEETINGS.

Why may convene.

1. The Trustees of the company may respectively at any time convene a meeting of the debenture holders. Whenever the company is about to convene any such meeting, it shall forthwith give notice in writing to the Trustees of the place day and hour thereof and of the nature of the business to be transacted thereat. All such meetings shall be held at the Registered Office of the company.

And the Trustees shall do so upon a requisition in writing of holders of one-fifth or more of the nominal amount of debentures for the time being.

Notice of Meeting to the Debenture-holders

2. Seven days' notice at least to the debenture holders specifying the place day and hour of meeting shall be given previously to any meeting of the debenture holders. Such notice shall be given in accordance with Clause 38 of the Trust Deed.

Quorum.

3. At any such meeting person present in person of by proxy, and holding one-fifth of the nominal amount of the debentures for the time being outstanding shall form a quorum for the transaction of business and no business shall be transacted at any meeting unless the requisite quorum be present at the commencement of business.

Chairman.

4. Some person nominated by the Trustees shall be entitled to take the chair at every meeting and if no such person is nominated or if at any meeting the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting, the debenture-holders present shall choose one of their number to be chairman.

Trustees and Directors may attend.

5. The Trustees and their Solicitor and any Directors or Secretary of the company or its Solicitors may attend any such meeting.

When Quorum not present.

6. If within fifteen minutes from the time appointed for any meeting of the debenture holders a quorum is not present the meeting shall stand adjourned to the same day in the next week at the same time and place and if at such adjourned meeting a quorum is not present the debenture-holders is competent to transact.

How questions decided.

7. Every question submitted to a meeting of the debenture-holders shall be decided in the first instance, by a show of hands, and in case of an equality of votes, the Chairman shall, both on the show of hands, and at the poll, have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a debenture-holder.

A Declaration by Chairman.

8. At any meeting of the debenture-holders unless a poll is demanded by the chairman or by the holder or holders of at east three debentures a declaration by the chairman that a resolution has been carried, or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

Poll.

9. If at any such meeting a poll is demanded as aforesaid it shall be taken in such manner and either at once or after an interval or adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Adjournment.

10. The chairman may with the consent of any

such meeting adjourn the same from time to time and from place to place.

When Poll taken without adjournment.

11. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.

Debentures only Bearers of the recognised.

12. At any such meeting as aforesaid the respective bearers of the debentures and no other person or persons shall be recognised and treated as the legal holders thereof, whether the same be payable to bearer or to the registered holder and whether such bearers are or are not in fact the owners thereof, and such bearer shall accordingly be exclusively entitled to vote in respect thereof.

Votes.

13. At every such meeting each voter shall on a show of hands be entitled to one vote only, but at a poll he shall be entitled to one vote in respect of every principal sum of Rs. 1,000 secured by the debentures in respect of which he is entitled to vote.

When Trustees may give up possession.

14. When the Trustees shall have made entry or taken possession under the powers conferred by the above written Indenture, they or he with the authority of an Extraordinary Resolution of the debenture-holders, may at any time afterwards give up possession of the mortgaged premises or any part thereof to the company, either unconditionally or upon any conditions that may be arranged between the company and the Trustees.

Powers by Extraordinary Resolution.

15. A general meeting of the debenture-holders shall, in addition to the powers hereinbefore given, have the following powers exercisable by extraordinary resolution namely:—

(1) Power to sanction the surrender or release of any of the mortgaged premises

(2) Power to sanction any compromise or arrangement proposed to be made between the company and the debenture-holders.

(3) Generally power to sanction any modification of the rights of the debenture-holders against the company or against its property whether such rights arise under these presents or otherwise.

(4) Power to assent to any modification of the provisions contained in these presents which shall be proposed by the company and assented to by the Trustees.

Extraordinary Resolution bindding.

16. An Extraordinary Resolution passed at a General Meeting of the debenture-holders duly convened and held in accordance with these presents shall be binding upon all the debenture-holders, whether present or not present at such meeting, and each of the debenture-holders shall be bound to give effect thereto accordingly and the passing thereof of any such resolution shall be conclusive evidence that the circumstances justify the passing,

the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of such resolution.

Definition of "extraordinary."

17. The expression "Extraordinary Resolution" when used in this schedule means a resolution passed at a meeting of the debenture-holders duly covened and held in accordance with the provisions herein contained by a majority consisting of not less than three-fourths of the debenture-holders voting thereat upon a show of hands or if a poll is duly demanded, then by a majority consisting of not less than three-fourths of the votes given on such poll.

Minutes.

18. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustees at the expense of the company and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings had or by the chairman of the next succeeding meeting of the debenture-holders shall be conclusive evidence of the matters therein contained, and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat or proceedings taken to have been duly passed and taken.

The Common Seal of the Indian Spinning and Weaving Company, Limited, was hereunto affixed pursuant to resolution of the Board of Directors of the Company dated the twenty-fourth day of December one thousand nine hundred and thirty in the presence of A. B. and C. D. two of the Directors of the Company who have affixed their signature hereto.

Seal.

(Sd.) A. B.
(Sd.) C. D.
Directors).

Witness:—
(Sd.) E. F.
(Sd.) G. H.

SIGNED SEALED AND DELIVERED by the abovenamed A. B. in the presence of.....
(Sd.) H. I.
(Sd.) J. K.

DEBENTURE TRUST DEED FOR FURTHER ISSUE.

An agreement made the.....day of.....one thousand nine hundred and thirty.....between the X. Y. & Company, Limited, a company registered under the Indian Companies Act, 1913 and having its Registered Office in Bombay (hereinafter called "the Company" which expression shall unless excluded by or repugnant to the context be deemed to include the X. Y. & Company, Limited, and its successors and assigns) of the one part and..... a company registered under the Indian Companies Act and having its Registered Office in Bombay (hereinafter called "the Debenture-holder" which expression shall excluded by or repugnant to the context be deemed to include the company named and its successors and assigns) of the other part *whereas* the company being duly empowered in that behalf by its Memorandum and Articles of Association raised a sum of Rupees one Crore by the issue of Mortgage Debentures secured upon the property and assets of the company both immovable and moveable by a Trust Deed bearing date the.....day of one thousand nine hundred and thirty..... and expressed to be made between the company of the one part and D. V. and L. as Trustees, of the other part *and whereas* at a meeting of the holders of the Debentures secured by the before mentioned Trust Deed held on the..... day of.....one thousand nine hundred and thirty.....it was resolved as follows:—"I (a). That the company be at liberty to issue further Debentures of the aggregate nominal value of Rupees two Crores in addition to the debentures of nominal value of Rupees one Crore already issued by the Company and secured by the Trust Deed of the.....day of.....193 , entered into by the company with D. V. and L. as Trustees, and that the further Debentures so to be issued be issued or the same terms and conditions in all respects as the debentures of the nominal value of Rupees one Crore secured by the said Trust Deed and do rank *pari passu* therewith and be secured upon the same property and assets of the company as are conveyed assigned transferred and charged by the said Trustees which deed shall be so modified and supplemented as to constitute a Debenture Loan of the company of the aggregate nominal value of Rupees Three Crores." (b) "That the above named Trustees be and they are hereby authorised to agree to such modification of the said Trust Deed as is necessary to carry into effect the foregoing resolutions and to execute such deed or deeds supplemental thereto as they may consider or may be advised are necessary proper and expedient for the purpose" and "II. That upon the issue of the aforesaid further Debentures the holders of the Debentures of the aggregate nominal value of Rupees One Crore ordinally issued by the company do have the option to surrender the debentures held by them to the company and to accept from the company its obligation for paymnt of the amount secured by such Debentures on the expiration of five years from the date of the surrender thereof with interest thereon at the rate of eight and a half per cent. per annum calculated from the date of such surrender and payable by equal half-yearly payments on the first day of October and the first day of April in each and every year being the dates named in the said Trust Deed for payment of interest upon the Debentures thereby secured coupled with the deposit by the company with such

Debentureholders of such number of the Debentues secured by the said Trust as modified and supplemented in terms of the foregoing resolution as at the face value thereof shall be equivalent in value to the nominal of the Debentures so surrendered which Debentures so deposited by the company shall be held by the said Debenture-holders with whom the same are deposited as pledges by way of collateral security for the before mentioned obligation of the company with liberty to the said Debenture-holders or any of them if they shall so desire to require the company to renew its obligation for a further period of five years from the expiration of the before-mentioned period of five years on the like terms in all respects save that the interest payable during such extended period of five years shall be at the rate of eight per cent. per annum instead of at the rate of eight and a half per cent. per annum upon such Debenture-holders agreeing not to call upon the company to fulfil its obligation for repayment on the expiration of the said first period of five years. The option conferred by this Resolution to be exercised by such of the said Debenture-holders as are resident in India within twenty one days from the date of the execution of the supplemental deed or deeds referred to the foregoing Resolution No. 1 (b) and by such of them as are resident outside India within two calendar months from the date here" *And whereas* at the date of the Supplemental Trust Deed next hereinafter recited the whole of the Debentures secured by the Trust Deed hereinbefore referred to had been issued and were then outstanding *and whereas* by a Trust Deed bearing date the.....day of.....One thousand nine hundred and thirty made between the company of the one part and the said D. V. and L. as Trustees, of the other part and expressed to be supplemental to the Trust deed of the . ...day of.....One thousand nine hundred and thirty ... . the further issue by the company of mortgage Debentures of the aggregate nominal value of Rupees Two Crores was secured upon the property and assets of the company both immoveable and moveable comprised in the Trust Deed of the day of..... .... One thousand nine hundred and thirty and that Trust Deed was modified accordingly so that by virtue thereof and of the now reciting Supplemental Trust Deed the said property and assets of the company became security for a first Mortgage Debenture Loan of the aggregate nominal value of Rupees Three Crores all the Debentures issued in respect whereof were to rank *pari passu* without any preference or priority the one over the other and by the Trust Deed now in recital it was provided that the company would with all due diligence call in the certificates of the Debentures issued under the Trust Deed of the..... day of... .....One thousand nine hundred and thirty and would forthwith upon the delivery thereof to the company endorse thereon a notice of the now reciting Trust Deed or that the company might at its option issue in substitution for such certificates other certificates which should be in a form consistent with the provisions of the Trust Deed of the.....day of .....One thousand nine hundred and thirty as modified by the now reciting Trust Deed *and whereas* doubts having been raised as to the efficiency of the security constituted or intended to be constituted by the hereinbefore recited Trust Deed and Supplemental Trust Deed the company executed in favour of the said D. V. and L. a further Trust Deed dated the .....day of.....One thousand nine hundred and

thirty which further Trust Deed was expressed to be executed with a view to removing the before mentioned doubts and to fortifying and reconstituting the security constituted by the said Trust Deed and Supplemental Trust Deed and by the Indenture now in recital the company convenanted with the Trustees that it would endorse upon every Debenture issued or to be issued to Debenture-holders a Memorandum to the effect that it was subject to the provisions and entitled to the benefits of the now reciting Indenture or in accordance with the provision of the Supplemental Trust Deed of the..... day of.....One thousand nine hundred and thirty herein before recited would issue a fresh Debenture Certificate which should refer to the now reciting Indenture *and whereas* the holders of Debentures of the aggregate nominal value of Rupees Seventy eight lacs and sixty eight thousand out of the Debentures of the aggregate nominal value of Rupees One Crore at first issued by the company and originally securred by the Trust Deed of the.....day of .....One thousand and nine hundred and thirty (amongst whom was the Debenture holder) exercises the option conferred upon them by the second extraordinary resolution of the Debenture-holders passed on the..... .....day of. .....One thousand nine hundred and thirty..... ..and such Debenture-holders (including the Debenture-holder) have surrendered their Debentures to the company with a view to the substituted security therefor contemplated by the said second extraordinary resolution being furnished to them *and whereas* in accordance with the provisions of the Supplemental Trust Deed and of the further Trust Deed of the.....day of... .and... .. .. dav of.....One thousand nine hundred and thirty . . respectively the company has made the endorsements required by those deeds respectively upon all the Debentures so surrendered to it as aforesaid *and whereas* the Debenture-holder held and surrendered to the company.....of the Debentures of the nominal value of Rupees One Crore at first issued by the company and originally secured by the Trust deed of the .....day of..... . One thousand nine hundred and thirty of the aggregate nominal value of Rupees.....short particulars of which Debentures are set out in the Schedule hereunder written *and whereas* with a view to carrying into effect the provisions of the said second extraordinary Resolution of the Debenture-holders passed on the..... . ..day of.....One thousand nine hundred and thirty the company has executed and delivered to the Debenture-holder a Demand Promissory Note for the sum of Rupees .....(being the aggregate nominal value of the Debentures surrendered by the Debenture-holder as aforesaid) bearing interest at the rate of eight and a half per cent. per annum and had deposited with the Debenture-holder the same Debentures which were surrendered by the Debenture-holder as aforesaid to the intent that the same shall be held by the Debenture-holder as pledgee by way of collateral security for the obligation of the company under the before mentioned Promissory Note *and whereas* the company is advised that transaction evidences by these presents is tantamount to a surrender and re-issue of the said Debentures within the meaning and operation of Section 127 of the Indian Companies Act, 1913 and the company has treated the same accordingly and has made the necessary entry to that effect in its register of mortgages *and whereas* these presents are entered into between the company and

the Debenture-holders as an instrument given by the company upon the occasion of the deposit of the said Debentures being marketable securities by way or security for money advanced and constituting an existing debt and with a view to evidencing and defining so far as the Debenture-holder is concerned the obligation of the company which under the terms of the said second extraordinary resolution it was provided should be given to those holders of the said Debentures who exercised the option thereby conferred upon them NOW THESE PRESENTS WITNESS as follows.—

I. The debenture-holder shall hold the promissory note of the company and the said debentures as pledges and shall not demand repayment of the principal amount named in the said promissory note (hereinafter referred to as "the before mentioned amount") until the..... day of.....one thousand nine hundred and thirty (hereinafter referred to as "the due date") except upon the happening of some one or more of the events named in clause IV hereof so long as interest is punctually paid upon the before mentioned amount by half-yearly payments on the first day of April and the first day of October in each and every year until the whole of the before mentioned amount shall have been repaid.

II. If and when it shall be found necessary so to do the company will do all things necessary to renew the said promissory note.

III. The said debentures shall be held by the debenture-holder in the capacity aforesaid by way of collateral security for the obligation of the company under the before mentioned promissory note and shall not be sold by the debenture-holder except upon the happening of one or more of the events named in the next succeeding clause.

IV. The debenture-holder shall be entitled to sell the said debentures in any of the following events and to the demand payment of the moneys due under the before mentioned promissory note in either of the events (b) or (c) in this clause named—

(a) If default is made in repayment of the before mentioned amount on the due date.

(b) If the interest hereinbefore agreed to be paid remains unpaid for two weeks after the respective days on which the same ought to be paid according to the company's covenant in that behalf herein contained.

(c) If the security constituted by the trust deeds by which the debentures of the company of the aggregate nominal value of rupees three crores are secured becomes enforceable under any of provisions of the said trust deeds or either of them at any time before the due date.

V. The moneys arising from any such sale as aforesaid shall be applied by the debenture-holder, first in payment of all costs, charges and expenses incurred by him in relation to such sale. Secondly, in payment of all interest then in arrears in the event of such sale having been made before the due date interest down to the date of repayment, and thirdly, in repayment of the before men-

tioned amount or of such portion thereof as may then be outstanding.

VI. No purchaser on any such sale shall be bound or concerned to see or enquire as to the application of the purchase money or to enquire into the regularity of such sale.

VII. The debenture-holder shall have the right to be exercised by notice in writing to the company given not less than three calendar months prior to the due date to call upon the company to renew the obligation constituted by these presents for a further period of five years from the due date and in such case the company will enter into a further agreement with the debenture-holder on the same terms as this present agreement save that the rate of interest to be paid by the company to the debenture-holder shall be eight per cent. and not eight and a half per cent and that the renewed agreement shall not contain a clause similar to this clause.

VIII. Upon the before mentioned amount being repaid either in whole or in part with all interest the debenture-holder shall return to the company the said debentures or so many of them as shall be proportionate to the sums repaid and shall do all such acts and things as may be necessary to vest the same in the company but at the expense of the company.

IX. The company shall pay the costs of and incidental to this agreement.

As WITNESS the common seal of the X. Y. & Co., Ltd., the day and year first above written.

THE SCHEDULE ABOVE REFERRED TO.

Debentures each of the nominal value of rupees one thousand and bearing numbers.

Directors.

Agents.

INSTRUMENT OF HYPOTHECATION.

FROM

MR. X. Y. Z.

TO

A. B. & COMPANY, LIMITED.

DEAR SIRS,

In consideration of your having agreed to receive from me Rs.....by instalments in accordance with the eight hundies passed by me in your favour being the balance of the purchase price of the R. P. Machine sold by you to me I hereby hypothecate to you the said R. P. Machine with (hereinafter referred to as "the said Machine with Converter (hereinafter referred to as "the said machine") by way of security to you for the sum of money due by me to you and I agree and undertake as follows:—

1. I undertake always to keep hypothecated to you the said machine and to keep and maintain the same. The said machine hypothecated to you hereunder shall be insured and keep insured by

me against loss or damage by fire lightening or explosion with an insurance company approved by you to the extent of Rs..... and the policy for such insurance shall be taken in your name and delivered to you and I undertake to pay punctually the premiums due for such insurance and to deliver the premium receipts to you and should I fail to keep insured the said machine and/or to deliver such policy and receipts to you you shall be at liberty but not bound to effect such insurance at my expense.

2. All sums received under any such insurance as aforesaid shall be applied in the first instance in or towards payment of our liability to you for the time being hereunder.

3. It is expressly agreed that the hypothecation hereby constituted is and shall be a first security to you over the said machine and that no other security or encumbrance of any kind whether legal or equitable is or has been or shall be created by me or anyone claiming under or through me over or affecting the said machine or any part thereof.

4. In the event of my failing to pay the amount of any hundi or hundies on its respective due date or dates you shall thereupon have the full free and unfettered right to seize take possession of and sell or otherwise dispose of the said machine or any part thereof at such time or times in whole or in lots in such fashion whetherby public auction or private bargain and at such price or prices as you may in the absolute discretion hereby conferred upon you consider expedient without any further notice or reference to me or any one claiming under or through me and I undertake to give you all facilities necessary or in your opinion expedient for operating this security in your favour including such possession or transfer or information as you may require for that purpose

5. In the event of the sale or other disposition by you of the said machine or the receipt by you of the whole or any part of the money due under all or any of the said insurances the proceeds thereof shall be applied *firstly*, in payment of the expenses of and incidental to the realisation and recovery of the proceeds of sale or disposal or insurance; *secondly*, in payment of all disbursements made by you in relation to the said machine; *thirdly*, in payment of the total amount of my liability to you, however, arising accrued due and *fourthly*, and if thereafter there remains any surplus it shall be paid by you to me and not held against any merely contingent claim you may have against me and if there be a shortfall I undertake to pay it to you in cash within 48 hours of your written demand therefor.

6. In the event of non-payment of the amount demanded by you within 48 hours you shall in addition to the rights and remedies above provided have all other rights and remedies competent to you at law or by statute or according to custom or otherwise for recovery of our indebtedness to you in respect of such liability.

IN WITNESS whereof I have executed this instrument of Hypothecation this.....day of.....193 .

APPENDIX B

PRECEDENTS OF Company Petitions, Plaints and Orders

Petition for Alteration of Objects and Affidavit.
Petition for Reduction of Capital.
Reduction of Capital Judges Order.
Petition for Reduction of Capital Order Confirming Reduction.
Petition for Reduction of Capital after Alteration of Articles.
Petition for Reduction of Capital Affidavit in Support.
Petition for Reduction of Capital by Repayment of Part.
Petition for Reduction of Capital Affidavit in Support.
Petition for Reduction of Capital Judges Order on Same.
Petition for Reduction of Capital Another Specimen with Affidavit.
Petition for Reduction of Capital Redeeming Preference Shares by Drawing.
Petition for Reduction of Capital Affidavit in Support.
Petition for Reduction of Capital Judges Order in Support.
Petition for Reduction of Capital Lost or Unrepresented.
Petition for Reduction of Capital Affidavit in Support.
Plaint for Enforcement of Call.
Petition for Winding up by the Court by a Shareholder with Affidavit in Support.
Petition for Supervision Winding up.
Petition for Restoration of the name of the Company with Judges Order
Petition by creditors (three specimen) for Winding up by the Court.
Petition by the Company for Winding up by the Court.
Petition for judges order appointing provisional official liquidators.
Petition for report of official liquidator on compromise and judges order sanctioning same.
Misfeascance summons and Affidavit in Support.
Petition for sanctioning the scene of arrangement and order sanctioning same.

Note :—Forms already given in the text are not appended. A reference may be made for them in the Index.

APPENDIX B

PRECEDENTS OF PETITION FOR ALTERATION OF OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION.

IN THE HIGH COURT OF JUDICATURE AT.....

In the matter of the Indian Companies Act VII of 1913
and
In the matter of the X. Y. Z. Chamber of Commerce Limited.

The X. Y. Z. Chamber of Commerce Ltd., a Company Incorporated under the Indian Companies Act, 1913, having its registered office at.....Petitioners.

The humble petition of the X. Y. Z. Chamber of Commerce Limited.

SHEWETH as follows:—

1. Your petitioner the abovenamed company (hereinafter called "the Chamber") was incorporated in the year.....under the Indian Companies Act of 1913 as a Company Limited by Guarantee.

2. The registered office of the company is situate at.....

3. Under the Memorandum of Association each member of the Chamber undertakes to contribute to the assets of the Chamber in the event of the same being wound up whilst he is a member or within one year afterwards for payment of the debts and all the costs charges and expenses of winding up the Chamber and for adjustment of rights of the contributories amongst themselves such amount as may be required not exceeding Rs..... The number of members are at present.....

4. The objects for which the Chamber was established are set forth in clause 3 of its Memorandum of Association and includes the following:—

(Set out here the Objects).

A printed copy of the Memorandum and Articles of Association of the Chamber is annexed hereto and marked "A."

5. By clause. . ..of the Articles of Association of the Chamber it is provided that the property and capital and income of the Chamber whensoever derived shall be applied solely towards the promotion of the objects of the Chamber and no portion shall be paid by way of bonus or otherwise to the members except in the case of the winding up of the Chamber.

6. Shortly after its incorporation the Chamber continued the operations of the unregistered association known as the X. Y. Z. Chamber of Commerce and put into effect various other objects contained in its memorandum. The Chamber is the recognised authority for setting and deciding matters relating to the sale and purchase of the seeds for produce and materials referred to in the aforesaid clauses.....and.....of the objects clause of its memorandum set out above.

7. By a special resolution of the Chamber passed at an extraordinary general meeting of the Chamber on the..... and confirmed at a subsequent extraordinary general meeting on

.....in accordance with section 81 of the Indian Companies Act, 1913, it was resolved as follows:—

"That the following be and are hereby added to the objects clause of the Memorandum of Association of.....:—

(Set out here the additions *in extenso*).

8. The circumstances and reasons which led the Chamber resolving to extent its objects as aforesaid are as follows:—

(Set out here the reasons in full).

9. The Chamber has no debenture debt or other debt whatsoever beyond the current wages and salaries of its employees to the extent of Rs.....per month and this indebtedness varies from month to month as the salaries accounts come in and are paid off.

10. The Chamber submits that the aforesaid alterations are required to carry out its objects more efficiently and to attain the main purpose of the Chamber by improved means and that such additional objects may conveniently or advantageously, be combined and with the present objects of the Chamber.

11. No one will be prejudice by the proposed extension of the Chamber's objects and it is just and equitable that the said special resolution for the proposed extension of such objects shall be confirmed.

12. Your petitioner therefore humbly prays as follows:—

(1) That the alteration of the Chamber's objects proposed to be effected by the said special resolution set forth in paragraph 8 of this petition may be confirmed by this Hon'ble Court pursuant to section 12 of the Indian Companies Act, 1913.

as to this Hon'ble Court may seem meet.

(2) Or that such other order may be made in the premises as to this Honourable Court may seem meet.

And your petitioner will ever pray.

Petitioner's Attorneys.

I,.....one of the Directors| the Secretary of the X. Y. Z. Chamber of Commerce, Limited, say that I am able to depose to the facts of this petition solemnly declare that what is stated in the foregoing petition is stated on information and belief and I believe the same to be true.

Solemnly declared at Bombay
aforesaid this.....day of
.....1934.

Before me.

It is not intended to serve this petition on any person.

PRECEDENT OF AFFIDAVIT ACCOMPANYING THE PETITION FOR ALTERATION OF THE OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION.

IN THE HIGH COURT OF JUDICATURE AT.....

In the matter of the Indian Companies Act VII of 1913
and
In the matter of the X. Y. Z. Chamber of Commerce Limited.

The X. Y. Z. Chamber of Commerce Limited.....Petitioners.

I,.....one of the Director|

Secretary of the X. Y. Z. Chamber of Commerce Limited, solemnly affirm and say as follows:—

1. I have been a Director|the Secretary of the X. Y. Z. Chamber of Commerce Limited (hereinafter called the Chamber) for the last .....years and am acquainted with the affairs of the Chamber.

2. I have read the petition presented in this matter now produced and shown to me and I believe that all the statements contained in that petition are true and that belief is grounded on the knowledge I have obtained as such Director|Secretary.

3. The registered office of the Chamber is now situate at..... ..... Hereto annexed and marked "A" is a copy of the certificate of incorporation of the Chamber. A copy of the original Memorandum and Articles of Association of the Chamber has been annexed to the petition as Ex. "A," thereto. No alterations have been made in such Memorandum and Articles of Association save so far as the same are affected by the Special Resolution referred to in the said petition.

4. The statements contained in paragraphs.....of the petition are correct.

5. The extraordinary general meetings of the Chamber mentioned in paragraph.....of the petition were respectively convened by a notice in terms of the document. .....copy of which is hereto annexed and marked "B." This notice was duly sent out to the members in accordance with the Articles of Association of the Chamber.

6. True copies of each of the said notice was served upon every member of the Chamber whose name appeared in the register of members as a member of the Chamber on the respective dates of issue of the notices and the said respective copies thereof were served by being put into envelopes duly addressed to such members respectively according to their respective names and addresses appearing in the said register and the same were delivered to such members through the Post.

7. I was present at the meeting at which the special resolution referred to in the said paragraph 8 was passed and confirmed and I say that the same was duly passed and confirmed in accordance with section 81 of the Indian Companies Act, 1913. Hereto annexed and marked "C" is a true copy of the Minutes of the Proceedings of the Chamber as appears from the Minute Book of the Chamber.

8. I confirm the statements in paragraphs 9, 10, 11 and 12 of the petition as correct.

Solemnly affirmed at.....
aforesaid this.....day of
.....1934.

Before me.

PETITION FOR REDUCTION OF CAPITAL LOST AND UNREPRESENTED BY ASSETS.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act VII of 1913
and
In the matter of the X. Y. Z. Company, Limited and reduced.

The X. Y. Z. Company, Limited and reduced a Joint Stock Company Incorporated and registered under the Indian Companies Act, 1913 having its Registered Office at.....Petitioner.

To

The Honourable the Chief Justice and other the Judges of the High Court of Judicature at.....

The humble petition of the X. Y. Z. Company, Limited and reduced.

SHEWETH as follows:—

1. Your petitioner the abovenamed company (hereinafter called "the company") was incorporated in the year.....under the Indian Companies Act as a company, limited by shares.

2. The registered office of the company is situated at.....

3. The objects for which the company was established are to carry on the business of manufacturers and sellers of yarn and cloth and other objects set forth in the memorandum of association thereof.

4. The capital of the company is Rs.....divided into .....shares of Rs..... ....each. All the said shares were issued and fully paid up.

5. Shortly after its incorporation the company commenced and it has since carried on business.

6. By clause.....of the Articles of Association of the company it is provided that the company may from time to time by special resolution reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets or reducing the liability on the shares or otherwise as may seem expedient and capital may be paid off upon the footing that it may be called up again or otherwise.

7. By a special resolution of the company duly passed and confirmed in accordance with section 81 of the Indian Companies Act VII of 1913, at the extraordinary general meetings thereof held respectively on the.....day of..... .. .and the... .....day of .....it was resolved.

> "That the capital of the company be reduced from..... divided into.. ... ordinary shares of Rs.....each to Rs.....divided into....ordinary shares of Rs..... each and that such reduction be effected by cancelling capital which has been lost or is unrepresented by available assets to the extent of Rs.....per share on each of the ordinary shares and by reducing the nominal amount of the ordinary shares from Rs..... .. each."

8. Previous to the passing of such special resolution paid up capital of the company to the extent of Rs... .....and upwards had been lost or was unrepresented by available assets.

9. The reduction of capital aforesaid does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid up capital.

10. The form of the minute proposed to be registered is as follows:—

> "The capital of the X. Y. Z. Company, Limited, henceforth is Rs.....divided into.....shares of Rs.....each instead of the original capital of Rs.....divided into.....shares of Rs..... each. At the time of the registration of this minute the

sum of Rs.....has been and is to be deemed to be paid up on each of the said shares."

Your petitioner the company therefore humbly prays:—

(1) That the reduction of the capital to be effected by the special resolution mentioned in paragraph 7 of the petition may be confirmed and that the abovementioned minute may be approved by this Honourable Court.

(2) That the addition of the words "and reduced" to the company's name may be dispensed with altogether.

(3) Or that such other order may be made in the premises as to this Honourable Court shall seem meet.

and your petitioner will ever pray.

JUDGE'S SUMMONS.

IN THE HIGH COURT OF JUDICATURE AT.... ....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act VII of 1913
and
In the matter of the X. Y. Z. Company, Limited and reduced.

The X. Y. Z. Company, Limited and reduced a Joint Stock Company, incorporated and registered under the Indian Companies Act, 1913, having its registered office at .....Petitioner.

LET ALL PARTIES concerned attend before the Honourable the Judge hearing company matter in Chambers at the High Court,.....on the.....day of.....at.....o'clock in the forenoon (Standard Time) on the hearing of an application on the part of the abovenamed petitioner that a day be fixed for the hearing of the petition for the reduction of the company's capital presented on the .....day of.. ... .and that directions may be given as to the advertisements which are to be published and that the certificate as to creditors may be dispensed with and all other matters connected with the petition.

Dated this.....day of.....

This summons was taken out by

Sd.

The Affidavit of A. B. C. sworn on the .... day of..... in support of the petition will be used at the hearing of this summons.

JUDGE'S ORDER.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act VII of 1913
and
In the matter of the X. Y. Z. Company, Limited and reduced.

The X. Y. Z. Company, Limited and reduced a Joint Stock Company, incorporated and registered under the Indian Companies Act, 1913, having its registered office at.....Petitioner.

UPON the application of the petitioner by summons, dated the .....day of.....and the affidavit of A. B. C. sworn on the .....day of.....and the several exhibits therein referred to and I being of opinion that the proposed reduction of the capital of the said company does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder any paid-up share capital I DO ORDER that the list of and certificate as to creditors of the said company and the affidavit verifying such list be dispensed with AND I DO FURTHER ORDER that the said petition be set down to be heard before me on.....day of..... AND I DO FURTHER ORDER that the notice of the presentation of the said petition and of the date fixed for the hearing thereof be inserted on the following days and in the following newspapers, that is in the Bombay Government Gazette of the.....day of.....in the Times of India of the.....day of.....and in the Sanj Vartman of the.....day of.....AND I DO LASTLY ORDER that this order be filed on or before the.....day of..... Attorneys for the petitioner.

Sd.....

ORDER CONFIRMING REDUCTION.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

Coram G. H.

GEORGE V, by the Grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas, King, Defender of the Faith, Emperor of India.

In the matter of the Indian Companies Act VII of 1913

and

In the matter of the X. Y. Z. Company, Limited and reduced.

The X. Y. Z. Company, Limited and reduced a Joint Stock Company incorporated and registered under the Indian Companies Act, 1913 and having its registered office at.....Petitioner.

UPON the petition of the X. Y. Z. Company, Limited and reduced on the.....day of.....preferred unto this Honourable Court and upon hearing Mr. J. K., advocate for the petitioner company this day.....and upon reading the said petition and the affidavit of H. H. S. in support thereof sworn on the.....day of..... and the several exhibits therein referred to and the order dated the.....day of.....dispensing with the list of creditors and the Bombay Government Gazette of the.....day of..... and the Times of India of the.....day of.....and the Sanj Vartman of the.....day of.....each containing a notice that the said petition was appointed to be heard on the..... day of.....and the affidavit of B. G. M. affirmed on the.....day of.....proving publication of the said notice in the said Gazette and the newspapers THIS COURT DOTH ORDER that the reduction of capital proposed to be effected by the said special resolution passed at an extraordinary general meeting of the petitioner the X. Y. Z. Company, Limited and reduced held on

the.....day of.....and confirmed at an extraordinary general meeting of the said company held on the.....day of..... and which resolution was in the words and figures following that is to say "That the capital of the company be reduced from Rupees.....divided into.....ordinary shares of Rupees.....each to Rupees.....divided into twenty-two thousand and five hundred shares of Rupees ten each and that such reduction be effected by cancelling capital which has been lost or is unrepresented by available assets to the extent of Rupees.....per share on each of the ordinary shares and by reducing the nominal amount of the ordinary shares from Rupees.....to Rupees.....each" by and the same is hereby confirmed and THIS COURT DOTH APPROVE of the minutes set forth in the schedule hereto AND THIS COURT DOTH FURTHER ORDER that a certified copy of this order be produced to the registrar of companies and be delivered to him together with a copy of the minutes in the words and to the effect set forth in the said schedule hereto and THIS COURT DOTH FURTHER ORDER that the notice of this order and of the said minutes be published as follows: that is to say once in the *Bombay Government Gazette*, *The Times of India* and *the Sanj Vartman* within ten days after such registration AND THIS COURT DOTH LASTLY ORDER that the words "and reduced" do form part of the name of the said company for three months from the date hereof and that the words "and reduced" need not be engraved on the company's seal WITNESS Sir.....Knight, Chief Justice at.....aforesaid this.....day of.....

By the Court,
Sd.
Prothonotary and Senior Master.

Seal of the High Court of. .....
Sd.
The .....day of..... .....
Order drawn on application of
Messrs.....Attorneys for
the petitioners.....

PRECEDENT OF PETITION FOR REDUCTION OF CAPITAL AFTER ALTERATION OF THE ARTICLES OF ASSOCIATION AND ALTERATION OF RIGHTS OF SHAREHOLDERS AND REPAYMENT OF PART CAPITAL.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act VII of 1913
and
In the matter of the B. Company, Limited and reduced.

To

The Hon'ble the Chief Justice and other the Puisne Judges of this Hon'ble Court.

The humble petition of the B. Company, Limited and reduced merchants.

SHEWETH as follows:—

1. Your petitioner, the abovenamed the B. Company, Limited

and reduced (hereinafter called "the company") was registered on the .....day of.....under the Indian Companies Act, 1882 as a private Company, limited by shares.

2. The registered office of the company is situated at.....

3. The objects for which the company was formed were (*inter alia*) to carry on any trade business manufacture or commercial operation in or with or in connection with India and the East and any other part of the world or in connection with any articles exported from or imported to India and the East and any other part of the world.

4. The company was registered with a nominal capital of Rs:.....divided into.....shares of Rs..... each. All the said shares have been issued and are fully paid up.

5. By a resolution of the company duly passed at an extraordinary general meeting thereof held on the..... .it was resolved *inter alia* that the company sanctions the increase by the managing directors of the capital of the company to . .....lakhs of Rupees each ranking for dividend and in all other respects *pari passu* with the existing shares of the company. All the said additional shares have been issued and are fully paid up.

6. By a special resolution of the company duly passed and confirmed in accordance with section 81 (2) of the Indian Companies Act, 1913, at extraordinary general meetings thereof held respectively on the... ....and the.....days of..... ..... it was resolved (*inter alia*) that the capital of the company be increased to..... of Rupees by the creation of..... .new shares of .....Rupees each to be called preference shares and to confer on the holders thereof the right to a fixed cumulative preferential dividend at the rate of 7 per cent. per annum less income-tax payable annually on the capital for the time being paid up on such shares and such preference shares in a winding up to rank both as regards capital and dividend up to the commencement of the winding up whether declared or not in priority to the other shares of the company and not to confer any further right to participate in profits or surplus assets or any right of voting except at separate meetings of the holders of preference shares. All the said preference shares have been issued and are fully paid up.

7. By a special resolution of the company duly passed and confirmed as aforesaid at extraordinary general meetings thereof held respectivey on the.... ..and the . . days of..... ....the rate of the fixed cumulative preferential dividend payable in respect of the said preference shares was increased from 7 per cent. per annum less income-tax to 12 per cent. per annum less income-tax.

8. Shortly after its incorporation the Company commenced and has since carried on business.

9. Article.....of the Articles of Association of the company provides (*inter alia*) that the company may by special resolution reduce its share capital in any manner and with and subject to any incident authorised and consent required by law.

10. Article. ....of the Articles of Association provides that the rights or privileges belonging to any class of shares may be affected altered modified or dealt with in any manner with the sanction in writing of the holders of more than one half in nominal amount of the shares of that class for the time being in issue and the sanction of an extraordinary resolution as defined by the Indian Companies

Act, 1913, passed at a separate general meeting of the members of that class.

11. Article.....of the Articles of Association provides that the articles may be altered in the manner provided by the statutes with the approval in writing of the holders of not less then three-fourths in nominal amount of the ordinary shares for the time being in issue.

12. The sanction in writing of the holders of more than one half in nominal amount of preference and ordinary shares in issue respectively required as aforesaid by Article.....of the Articles of Association and the sanction in writing of the holders of not less than three-fourths of the nominal amount of the ordinary shares in issue required as aforesaid by Article.....of the Articles of Association have been duly given.

13. By an extraordinary resoution duly passed at a separate general meeting of the members of the class of preference shareholders on the.....day of.....it was resolved as follows:—

> "That this meeting hereby sanction such alteration of the rights and privileges of the holders of the preference shares of the company as would be occasioned by the alteration of the Company's Articles of Association to provide for the application of reserves in paying off preference and other shareholders by the reduction of the company's capital by the return to the holders of the said preference shares of capital to the extent of..... ..Rupees per share, by the cancellation of all such preference shares and by the payment to every holder of such preference shares of the sum of.....Rupees per share in addition to the repayment of the capital paid thereon or otherwise by the passing and confirmation of the subjoined resolutions as special resolutions of the company."

The said subjoined resolutions are the resolutions specified in paragraphs 15 and 16 of this petition.

14. By an extraordinary resolution duly passed at a separate general meeting of the members of the class of ordinary shareholders on the..... ..day of.....it was resolved as follows:—

> "That this meeting hereby sanctions such alteration of the rights and privileges of the holders of the ordinary shares of the company as would be occasioned by the alteration of the Company's Articles of Association to provide for the application of reserves in paying off preference and other shareholders by the reduction of the company's capital by the return to the holders of the said preference shares of capital to the extent of... ....Rupees per share, by the cancellation of all such preference shares and by the payment to every holder of such preference shares of the sum of.....Rupees per share in addition to the repayment of the capital paid thereon or otherwise by the passing and confirmation of the subjoined resolutions as special resolutions of the company."

The said subjoined resolutions are the resolutions specified in paragraphs 15 and 16 of this petition.

15. By a special resolution of the company duly passed and confirmed as aforesaid at extraordinary general meetings thereof held respectively on the.....day of.....and the.....day of .....it was resolved as follows:—

"That the Articles of Association be altered as follows:—

(a) By inserting between the word "thereof" and the word "may" in the second line of article 113 the words "may be transferred from any one of such funds to another and" and by adding at the end of that article the words "and may also be applied in the repayment of preference or other shares on a reduction of the company's capital and the payment of any premium thereon and it shall be no objection to an application of such funds made under the provisions of this article that the resolutions authorising the reduction of capital and repayment of shares and the payment of a premium in pursuance of which such application was made were passed at the meeting at which the resolution introducing this article was confirmed as a special resolution provided that due notice of the intention to propose such first mentioned resolutions shall have been given prior to such confirmatory meeting."

(b) By inserting between the word "shares" and the word "and" in the sixth line of resolution II of the special resolutions passed and confirmed at separate extraordinary general meetings of the company held on the..... and.....respectively" the words "and the right in a winding up to be repaid at a premium of Rupees..... on each of such preference shares" and between the word "capital" and the word "and" in the seventh line of that resolution the words "including the said premium."

16. By special resolutions of the company duly passed and confirmed as aforesaid at extraordinary general meetings thereof held respectively on the. .. ...day of.... .... ..and the..... day of.....it was resolved as follows.—

(1) "That the capital of the company be reduced from .....Rupees divided into.....preference shares of.....Rupees each and.....ordinary shares of.....Rupees each to.....of Rupees divided into.....ordinary shares of.....Rupees each and that such reduction be effected by returning to the holders of the said. ... .preference shares paid to capital to the extent of. .....Rupees on each of the preference shares held by them (being capital in excess of the wants of the company) and by cancelling and extinguishing the whole of the preference shares.

(2) "That in effecting such reduction of capital there be paid to every holder of preference shares out of the undistributed profits of the company standing to the credit of the company's depreciation suspense or reserve funds (in addition to the repayment of capital paid thereon) a premium of.....Rupees per share on every preference share held by him at the date of such reduction becoming effective."

17. The paid capital proposed to be returned as aforesaid is in excess of the wants of the company and after the return thereof the company will still have ample capital available for the purposes of its business.

18. The form of minute proposed to be registered is as follows:—

"The capital of the B. Company, Limited was, by virtue of a special resolution of the company duly passed and confirmed at extraordinary general meetings thereof held respectively on the.....day of.....and the..... day of.....and with the sanction of an order of the High Court of Judicature at....., reduced from the former capital of 30 lakhs of Rupees divided into.....preference shares of.....Rupees each and..... ordinary shares of.....Rupees each to.....Rupees divided into.....ordinary shares of Rs..... each. At the time of the registration of this minute all the said.....ordinary shares had been issued and the full amount of.....Rupees had been paid up on each of such shares."

Your petitioner therefore humbly prays as follows:—

(1) That the reduction of capital sought to be effected by the special resolution above set out may be confirmed and that the minute above set out may be approved by this Honourable Court.

(2) That the addition of the words "and reduced" to the company's name may be dispensed with altogether.

(3) That such further or other order may be made in the premises as to this Honourable Court may seem fit.

And your petitioner will ever pray, etc.

AFFIDAVIT IN SUPPORT OF PETITION.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913.
and
In the matter of the B. Company, Limited and reduced.

B. company and reduced.... ....Petitioner.

I, G. C. P. residing at ....make oath and say as follows:—

1. I am and have for upwards of 12 years past been the accountant of the abovenamed company (hereinafter called "the company") and I am intimately acquainted with the affairs of the company.

2. I have read the petition in this matter now produced and shown to me and marked A and I believe that all the statements contained in that petition are true, and that belief is grounded on the knowledge I have obtained as such Accountant of the company as aforesaid.

3. The document now produced and shown to me and marked B is a certificate of the registrar of companies that the company was incorporated on the.....day of..... The registered office of the company is now situate at.....

4. The document now produced and shown to me and marked C is a printed copy of the original Memorandum and Articles of Association of the company and also contains copies of all the special Resolutions which have been passed and confirmed except the special resolutions referred to in paragraph 16 of the said petition.

5. The statement that the whole capital of the company has been issued and has been fully paid up is correct.

6. The statements contained in paragraph 12 are correct to my knowledge.

7. The general meetings referred to in paragraphs 13, 14, 15, and 16 of the petition were respectively convened by notice in terms of the documents now produced and shown to me and respectively marked D1 D2 D3 D4 D5. These notices were duly sent out in accordance with the Articles of Association of the company. I was present at all meetings and say that the extraordinary resolutions referred to in paragraphs 13 and 14 of the petition were passed unanimously and that the special resolutions referred to in paragraphs 15 and 16 of the petition were duly passed and confirmed as such in accordance with section 81 of the Indian Companies Act.

8. The book now produced and shown to me and marked E is the minute book of the company containing minutes of the proceedings at the said meetings.

9. The registers now produced and shown to me and marked F1 and F2 contained at the date of despatch of the respective notices convening each of the said meetings the name and last known address of every person who on each of the said dates respectively was a member of the said company.

10. I did on the.....day of... .....serve a true copy of the notice now produced and shown to me and marked D1 upon every member of the company whose name appeared in the said registers as the holder of a preference share on that date.

11. I did on the..... ..day of..... .serve a true copy of the notice now produced and shown to me and marked D2 upon every member of the company whose name appeared in the said registers as the holder of an ordinary share on that date.

12. I did on the day of.. .....serve a true copy of the notice now produced and shown to me and marked D3 and did on the.....day of..... send a duplicate thereof by post upon every member of the said company whose name appeared in the said registers as a member of the company on the said dates.

13. I did on the..... . ..serve a true copy of the notice now produced and shown to me and marked D4 upon every member of the company whose name appeared in the said registers as a member of the company on the said date.

14. I did on the... . . .serve a true copy of the notice now produced and shown to me and marked D5 upon every member of the company whose name appeared in the said registers as a member of the company on the said date.

15. I served the said respective copies of the said notices by causing such copies to be placed respectively into envelopes duly addressed to such persons respectively according to the respective names and addresses appearing in the said registers and with proper postage stamps affixed thereto as prepaid letters and by causing the same to be posted at the General Post Office, Bombay, between the hours of five and seven o'clock in the afternoon, as to the said notice marked D1, D2 and D3 on the..... day of.....as to the duplicate of the said notice marked D3 on the.....day of..... as to the said marked D4 on the.....day of.....and as to the said notice marked D5 on the.....day of.....

Sworn at Bombay aforesaid

this.....day of.....

G. C. P.

Before me.

Sd.....

Petitioner's attorneys.

PETITION FOR REDUCTION OF CAPITAL AND REPAYMENT OF PART CAPITAL OUT OF RESERVE FUND.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VI of 1882

and

In the matter of Thacker & Co. and reduced.

To

The Hon'ble Chief Justice and the Judges of the above court.

The humble petition of Thacker and reduced.

SHEWETH as follows·

1. Your petitioner the above named company (hereinafter called the company) was incorporated in the year 1878 under Companies Act, 1866, as a company limited by shares.

2. The registered office of the company is at.....

3. The capital of the company is Rs.....divided into..... shares of Rs..... .each.

4. Shortly after the incorporation of the company it commenced and has since carried on business.

5. The company has received all its.....shares and the sum of Rs..... per share has been paid up thereon.

6. The Articles of Association of the company as originally framed did not contain power to reduce the capital but by a special resolution of the company duly passed and confirmed at extraordinary general meetings of the company held respectively on the.....day and.....day it was resolved as follows:—

7. By a special resolution of the company passed and confirmed at extraordinary general meetings of the company held respectively on the.....day and... ..day it was resolved as follows:—Namely,

> "that the capital of the company consisting of Rs..... divided into.....shares of.....each fully paid up be reduced to Rs.....by repaying to the holders of the said shares the sum of Rs.....per share being the capital which is in excess of the wants of the company."

8. The business of the company has been very prosperous for many years and the company has in addition to the payment of large dividends to its shareholders accumulated a reserve fund of Rs..... of which.....Rs.....is invested in stock in trade of the company, Rs.....represent the marriage insurance fund is invested in bank deposits and the balance of Rs.....partly in bank deposits and partly in government paper. The details of the said investments appeared in the last balance sheet of the company. The improvement trust bonds mentioned therein have been sold and proceeds placed in fixed deposit, a copy of the balance sheet is herewith annexed as marked A1.

9. The aforesaid reserve fund having altogether outgrown the

business requirements of the company, the directors were of opinion that a portion of it should be returned to the shareholders and it was therefore proposed that a sum of Rs.....should be returned out of the aforesaid sum of Rs.....(which is in fact part of the floating capital of the company) and the share capital of the company reduced by the like amount and the resolution in paragraph 7 hereof set out been passed with this object. The original paid up capital will not be in fact diminished in any way by the proposed arrangement, the same being left in tact in the company and the reduction therefore does not involve the payment to any shareholder of any paid up capital.

The form of minute proposed to be registered is as follows:—

"The capital of company, Limited, henceforth is Rs..... divided into.....shares of Rs.....each instead of original capital of Rs.....of Rs.....At the time of the legislation of this minute the sum of Rs.....has been and is deemed to be paid on each of the said shares."

Your petitioner the.....Company, therefore, humbly prays:—

(1) The Hon'ble Court will be pleased to make an order confirming the aforesaid reduction on such terms and subject to such conditions as it deemed fit.

(2) That the Court will dispense with the addition of the word "and reduced" after the original title of the Company.

(3) That in the event of the Court being of opinion that the said reduction involves the payment to shareholders of a part of the paid up capital of the company the court will be pleased to give such directions as to the proceedings to be taken hereunder as may seem meet.

(4) That such other orders may be passed and directions given and enquiries directed as the court may consider necessary.

IN WITNESS WHEREOF the common seal of the petitioner..... has been hereto affixed in the presence of Mr.....and Mr..... two of the directors of the.....Company, Limited.

Sealed with the seal of.....
by Mr.....and Mr.....being two
of the directors of the said company
in the presence of.....

Sd.....

AFFIDAVIT IN SUPPORT OF PETITION FOR REDUCTION ETC.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913.
and
In the matter of Thacker and Co., and reduced.

I.....of Bombay European, Chairman of the Board of Directors of the above company may quote and say as follows:—

1. I am and have for over eight years passed been the director and since October 1908 the Chairman of the Board of Directors of

the company and am intimately acquainted with the affairs of the company.

2. I have read the petition in this order now exhibited to me and marked A and I believe that the statements thereof contained are true and that my belief is grounded on the knowledge I have obtained as such Chairman of the company and previously as director thereof for over eight year.

3. The document now exhibited to me marked B is a printed copy of the Memorandum and Articles of Association of the company and also contain copies of all special resolutions which have been passed and confirmed up to date.

4. The extraordinary general meetings mentioned in the petition were respectively convened by notices in terms of the documents now exhibited to me and respectively marked C, D and E. These notices were duly sent out to the shareholders in accordance with the articles of association of the company. I was present at the meetings at which the special resolutions referred to in the petition were passed and I say that the same were duly confirmed in accordance with law.

5. The minute book of the company contains minutes of the proceedings at the extraordinary general meetings of the company, copies whereof are herewith annexed and collectively marked F.

6. After paying dividends regularly to the shareholders for the last 15 years the company has accumulated a reserve fund of Rs..... of which Rs.....is practically in cash and is not utilised in the business of the company. The amount of this liquid reserve fund is much too large and the greater part of it is not likely to be required to be used hereafter for any legitimate purpose of the company. It is therefore considered avisable to pay to the shareholders out of the sum of Rs.....and to reduce the share capital of the company capital subscribed by them amounting in all to Rs.....and by a like amount this reduction will still leave the whole of the original paid up capital of the company in tact and no part of it will in fact be paid to the shareholders.

Under the circumstances I pray that the orders asked for in the petition may be granted.

Sworn at..... aforesaid this
.....day.....
Sd.....

Sd.....

Before me
Commissioner.

Sd.....

JUDGE'S ORDER ON PETITION TO REDUCE CAPITAL ETC.

Thacker & Co.....Petitioners.

Upon hearing Mr.....counsel for the petitioners above named in support of the petition for the reduction of capital of the said compnay dated.....and upon the creditors of the said company being called and not appearing either in person or by counsel or attorney and upon reading the said petition and the affidavit of Mr..... stating that notice of the hearing of a petition has been advertised in newspapers on the day confirming the reduction of the capital of the said company be effected by the special resolution mentioned in para 7 of the said petition and I do approve the minute mentioned

in para 9 of the said petition and I do order that the said company be at liberty forthwith to dispnese with the words "and reduced" after the name of the said compnay and I do further order that the prothonotary of this Hon'ble Court had issued a certified copy of this Order and the minute annexed thereto be registered with the Registrar of joint stock companies, Bombay and notice of the registration of the said order and minute as aforesaid be advertised once in the Times of India, Advocate of India, Sanj Vartaman and Dnyan Prakash and Pionner respectively with a week from the date of the registration and I do lastly order that this order be filed on or before the.....date.....

Dated,,,

Sd.

- Petitioners attorneys.

Sd.....Judge.

PETITION FOR REDUCTION OF CAPITAL RY REPAYMENT OF A PART OUT OF CASH BALANCE.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act VII of 1913.

and

In the matter of the X. Z. Company, Limited and Reduced a company incorporated under the said Act and having its registered office at.....

To,

The Honourable the Chief Justice and the other the Judges of the High Court,.....

The humble petition of the X. Z. Company, Limited and Reduced SHEWETH as follows:—

1. Your petitioner the abovenamed company (herein after called "the compnay") was incorporated in the year 1921 under the Indian Companies, Act VII of 1913 as a private company limited by shares. the Registered Office of the Company is situate at... .... .

2. The objects for which the company was established were and are to acquire from X. Z. Limited a certain piece of land situate at .....and to acquire by purchase, lease, exchange otherwise, land, buildings and hereditaments of any tenure or description situate in .....and its neighbourhood or elsewhere and to turn the same to account as may seem expedient and in particular by preparing building sites, and by construction, re-constructing, altering, improving, decorating, furnishing and maintaining offices, flats houses, factories, warehouses, shops, wharves, buildings, works and conveniences of all kinds and other objects set forth in the Memorandum of Association thereof.

3. The capital of the company is Rs.....divided into..... shares of Rs.....each.

4. Shortly after incorporation the company acquired the said piece of land and erected a building thereon and lets and maintains offices therein.

5. The Company has issued.....*of its shares and no more*

and the whole of the said sum of Rs.....per share has been paid up thereon.

6. By clause.....of the Articles of Association of the Company it is provided that the company may reduce its capital in any manner authorised and subject to any condition prescribed by the Indian Companies, Act 1913.

7. By a Special Resolution of the Company duly passed and confirmed in accordance with Section 81 of the said Act at extraordinary general meetings thereof held respectively on the.....and .....it was resolved:

> "That the capital of the Company be reduced from Rs..... divided into.....shares of Rs.....each to Rs....., divided into.....shares of Rs.....each and that such reduction be effected by returning to the holders of.....fully paid shares that have been issued paid up capital to the extent of Rs.....per share, such capital being in excess of the wants of the company and by reducing the nominal amount of each of the said .....shares from Rs.....to Rs....."

8. Previously to the passing of such special resolution the company had a sum of nearly Rs.....as a cash balance. Hereto annexed and marked A is a printed copy of the last Directors' Report with balance sheet and profit and loss account for the year ended..... .....in which a cash balance is shown of Rs..... Such cash balance with accumulated interest amounted as on..... to Rs.....Beyond what is stated in para. 4 above, the company carries on no business and the liabilities of the company are comparatively negligible. The company requires no working capital and has no use for a large cash balance of about Rs .....Such cash balance represents capital of the company in excess of its wants and it is proposed to return to each shareholder the sum of Rs.....per share such payment to be made out of the said cash balance. This payment will absorb a sum of Rs.....leaving a surplus of over Rs.....in hand, which will be more than adequate for providing for the wants of the company and against any contingencies.

9. The form of minute proposed to be registered is as follows:—

> "The capital of the X. Z. Company, Limited is Rs..... divided into..... .....share of Rs.....each instead of Rs..... ...divided into. .....shares of Rs.....each. At the date of the registration of this minute... .....of the said shares are issued and have been and are to be deemed to be fully paid up and the remaining.....of the said shares are unissued.

Your Petitioner therefore prays:—

(1) That the reduction of capital sought to be effected by the special resolution mentioned in para 7 of the Petition may be confirmed and that the abovementioned minute may be approved by this Hon'ble Court.

(2) That to this and all inquiries and directions necessary and proper may be made and given and that a day be fixed on and after which the Company shall be at liberty to discontinue the addition to its name of the words "and reduced" and

(3) That such other order may be made in the premises as to this Hon'ble Court may seem meet.

And your Petitioner will ever pray:

NOTES:—It is not intended to serve this petition upon any person.

AFFIDAVIT IN SUPPORT OF PETITION.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies, Act VII of 1913.

and

In the matter of the X. Z. Company, Limited and Reduced a company incorporated under the said Act and having its registered office at.....

I, A. B. C. of.....Parsee inhabitant, residing at..... make oath and say as follows:—

1. I am and have for the last four years past been a director of the abovenamed Company (hereinafter called "the company") and am intimately acquainted with the affairs of the compnay.

2. I have read the petition presented in this matter now produced and shown to me and I believe that all the statements contained in that petition are true and that belief is grounded on the knowledge I have obtained as such director of the company as aforesaid.

3. The registered office of the company is now situate at..... hereto annexed and marked A collectively is a printed copy of the certificate of incorporation and the original Memorandum and Articles of Association of the Company. No alterations have been made in such Memorandum and Articles of Association save so far as the same are affected by the special resolution referred to in the said petition.

4. The statements contained in paras 3 and 4 are correct.

5. The general meetings mentioned in paragraph 7 of the petition were respectively convened by a notice in the terms of the document hereto annexed and marked B. This notice was duly sent out to the shareholders in accordance with the Articles of Association of the Company. I was present at the meetings at which the special resolution referred to in the said paragraph was passed and confirmed and I say that the same was duly passed and confirmed in accordance with section 81 of the Indian Companies Act of 1913. Hereto annexed and marked C is a true copy of the minutes of the proceedings at the said general meetings of the company as appears in the minute book of the company.

6. The company is the landlord of the property known as "X. House" at.....in which the registered office of the company is situate and referred to in para 4 of the Petition. The said building is let out to various tenants. Save as above the company does not carry on any business. The company's liabilities are comparatively negligible as appears from the last balance sheet of the company, a copy of which is annexed to the petition. In view of the nature of the company's business, it requires no working capital. A cash balance of about Rs.....which the company has available is largely in excess of the company's wants. It is therefore proposed to return to each shareholder a sum of Rs.....per share such payment to be made out of the said cash balance. This payment will absorb a sum of Rs.....leaving a surplus over Rs.....in hand which

will be more than adequate for providing for the wants of the company against any contingency.
Sworn at.....aforesaid
this ..... day of .....

Sd.

Beforeme,
Sd.
2nd Assistant Master.

Attorneys for the Petitioner.

ORDER SANCTIONING THE REDUCTION OF CAPITAL.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

Coram: K. J.
In Chambers.

George V. etc.....
In the matter of the Indian Companies, Act, VII, of 1913.
AND
In the matter of the X. Z. Company, Limited and Reduced a company incorporated under the said Act and having its registered office at.....

Upon the petition of the X. Z. Company, Limited and Reduced declared on the.....preferred unto this Honourable Court being this day called on for hearing and upon hearing Messrs D. E. and Company Attorney's for the Petitioner Company AND UPON reading the said petition and the order herein dated the.....and the several exhibits therein referred to and the issue of the Times of India and the Sanj Vartman newspapers of the. .....each containing a notice of the presentation of the said petition pursuant to the said order the Judge's certificate dated the..... and the issues of Times of India and Sanj Vartman newspapers of the.....and upon reading the Judge's order herein dated the.....and the Affidavit of.....sworn on the..... .....and the Joint Affidavit of.....and..... ..sworn on the.....and the exhibits annexed to the said Affidavits respectively and the Judge's certificate and order both dated the ..... and the issues of the Times of India and the Sanj Vartman newspapers of the..... each containing an advertisement of notice that the said petition was appointed to be heard on the.....and no one claiming to be a creditor of the company appearing either in person or by Advocate or Attorney this court doth order that the reduction of capital proposed to be effected by the Special resolution passed and confirmed at the two extraordinary general meetings of the petitioner company held respectively on the.....and..... ..and which resolution was in the words and figures following namely "That the capital of the company be reduced from rupees.....divided into.....shares of rupees.....each to rupees.....divided into..... shares of rupees.....each and that such reduction be effected by returning to the holders of.....fully paid shares that have been issued paid up capital to the extent of rupees.....per share shuch capital being excess of the wants of the company and by reducing the nominal amount of each of the said.....shares

from rupees.....to rupees....." be and the same is hereby confirmed and this court doth approve of the minute set forth in Schedule A hereto and this court doth further order that a certified copy of this order be produced to the Registrar of Companies .....and be delivered to him together with a copy of the minute in the words or to the effect set forth in the said Schedule hereto and court doth further order that notice of the registration of this order and of the said minute be published as follows:—that is to say once in the Bombay Gevernment Gazette, The Times of India and the Bombay Samachar newspapers after such registration and this court doth lastly order that the said company be at liberty after four weeks from the date hereof to discontinue the addition to its name of the words "and reduced" witness Sir.....Knight, Chief Justice at.....aforesaid this.....day of.....

By the Court,
Sd.
Prothonotary and Senior Master.

Seal of the High Court of.....
Sd.

The.....day of.....Order drawn on application of Messrs.....and Company Attorneys for the petitioners.....

PETITION FOR REDUCTION OF CAPITAL BY REDEEMING PREFERENCE SHARES BY DRAWINGS OUT OF ACCUMULATED PROFITS ACCORDING TO POWERS IN ARTICLES.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies, Act, VII, of 1913.
and
In the matter of the X. Y. Z. Company, Limited and Reduced.

The X. Y. Z. Company, Limited and Reduced having its Registered Office at..... Petitioner.

To,

The Hon'ble the Chief Justice and other the Judges of this Hon'ble Court.

The humble petition of the X. Y. Z. Company, Limited and Reduced.

SHEWETH as follows.—

1. Your Lordships Petitioner the abovenamed Company (hereinafter called the Company) was incorporated on.....under the Indian Companies, Act 1913 as a private company limited by shares.

2. The Registered Office of the Company is situate at.....

3. The objects for which the company was established are set out in the Company's Memorandum of Association a copy whereof and of the Articles of Association is hereto annexed and marked A.

4. The original capital of the company as fixed by its Memorandum of Association was Rs.....divided into.....Preference shares of Rs.....each and.....Ordinary Shares of Rs.....each all the shares were issued and were fully paid up. Subsequently the capital of the company was as is hereinafter

mentioned, reduced and it now is Rs.....divided into..... Preference Shares of Rs.....each and.....Ordinary Shares of Rs.....each.

5. By clause 51 of the Company's Articles of Association it is provided as follows:—

"51. The Company may, from time to time, by special resolulution, reduce its capital by paying off capital of cancelling capital which has been lost or is unrepresented by available assets, or reducing the liability on the shares, or otherwise as may seem expedient; and capital may be paid off upon the footing that it may be called up again or otherwise and the company may also, by special resolution, sub-divide, or, by ordinary resolution, consolidate its shares or any of them, or cancel shares which have not been taken up or agreed to be taken up by any person, and the directors may, subject to the provisions of the Indian Companies Act, accept surrenders of shares."

6. Clause 119 of the Articles of Association of the company provides as follows:—

*119. The profits of the company which it shall from time to time be determined to divide in respect of any year or other period shall be applied, first, in paying the fixed cumulative preferential dividend on the capital paid up on the preference shares to the close of such year or other period and secondly, in redeeming and paying off as many of the preference shares as the surplus of the profits shall be sufficient to redeem the particular preference shares to be redeemed shall be determined by annual drawings which the company shall cause to be made in the presence of a notary public at its registered office for the time being. After all the preference shares have been paid off in full as aforesaid the said profits shall be divisible among the holders of the ordinary shares in proportion to the amount of the capital paid up on the shares held by them respectively."

7. By clause V of the Company's Memorandum of Association is provided that the preference shares shall be redeemed in the manner mentioned in clause 119 of the Articles of Association of the company.

8. At an extraordinary general meeting of the company held on the.....day of.....the following resolution was duly passed and at another extraordinary general meeting of the company held on the.....day of.....the same resolution was confirmed, *viz.*:—

"Resolved that the capital of the company be reduced from Rs.....divided into.....preference shares of of Rs.....each and ordinary shares of Rs..... each to Rs.....divided into.....preference shares of Rs.....each and.....ordinary shares of Rs..... each and that such reduction be effected by paying off from the profits of the company pursuant to Article 119 of the Articles of Association of the company.....preference shares out of the.....preference shares issued by the company by returning to the holders of the.....preference shares to be so paid off Rs.....per shares being the full amount of the capital paid up thereon, the..... shares so to be paid off to be determined by drawings to

be made in accordance with Article 119 of the Articles of Association of the Company."

By an order made by this court bearing date the.....day of .....the reduction of capital proposed to be effected by the above special resolution was confirmed and the following minute was approved:—

"The capital of the X. Y. Z. Company, Limited, henceforth is Rs.....divided into.....preference shares of Rs.....each. At the time of the registration of this Rs.....each and.....ordinary shares of Rs..... each. At the time of the registration of this minute all the said.....preference shares and all the said..... ordinary shares are fully paid up."

9. The company made a profit of Rs.....in the year ending .....which together with a sum of Rs.....brought forward from previous years account made a total of Rs..... available for disposal and the same was appropriated as follows:—

(1) To depreciation on machinery and building Rs.....
(2) To payment of dividend at 7% per annum on preference shares for the year ended (subject) to income-tax) .. .. „ .....
(3) Redemption of preference shares .. .. „ .....
(4) Balance to be carried forward .. .. „ Nil.
Rs.....

10. To enable the company further to redeem preference shares to the extent of Rupees.....out of the above profits pursuant to the said article 119 the following special resolution was passed and confirmed at extraordinary general meeting of the company held respectively on the.....and..... ...whereby it was resolved as follows:—

"Resolved that the capital of the company be reduced from Rs.....divided into.... .....preference shares of Rs.....each and.....ordinary shares of Rs..... to Rs.....divided into.....preference shares of Rs. each and.....ordinary shares of Rs.....each and that such reduction be effected by paying off from the profits of the company pursuant to article 119 of the Articles of Association of the company.....preference shares out of.....preference shares issued by the company by returning to the holders of the..... preference shares to be so paid off Rs.....per share being the full amount of the capital paid up thereon. the .....shares so to be paid off to be determined by drawings to be made in accordance with article 119 of the Articles of Association of the Company."

11. The reduction of capital aforesaid does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid up capital.

12. The form of minute proposed to be registered is as follows:—

"The capital of the X. Y. Z. Company, Limited, henceforth is Rs.....divided into.....preference shares of Rs.....each and.....ordinary shares of Rs..... each. At the time of the registration of this minute all the said.....preference shares and all the said ordinary shares are fully paid up."

Your Lordships petitioner therefore humbly prays:—

(a) That the reduction of capital to be effected by the special resolution mentioned in paragraph 6 of this petition may be confirmed and that the abovementioned minute may be approved by the court.

(b) That the addition of the words "and reduced" to the company's name may be dispensed with altogether.

(c) Or that such other order may be made in the premises as to the court shall seem meet.

And Your Lordships petitioner as in duty bound will ever pray.

Note:—It is not intended to serve this petition upon any persons

For and on behalf of the
X. Y. Z. Company, Limited and reduced.
Sd. E. F.
Manager.

Sd.....Co.
Petitioners' Attorneys.

AFFIDAVIT IN SUPPORT OF PETITION.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies, Act, VII, of 1913.
and
In the matter of the X. Y. Z. Company Limited and reduced.

The X. Y. Z. Company, Limited and reduced having its registered office at... ....Petitioner.

I, A. B. C. of.....Parsi Inhabitant residing at..... make oath and say as follows:—

1. I am the manager of the company abovenamed.

2. I have read the petition made for confirming the further reduction of the capital of the company resolved on by a special resolution of the company passed and confirmed at extraordinary general meetings of the company held respectively on the.....and the.....and I say that the statements therein made are true.

3. The printed copy of the Company's Memorandum and Articles of Association annexed to the petition is I verily believe a true copy of the Company's original Memorandum and Articles of Association.

4. The extraordinary meetings of the company referred to in paragraph 8 of the petition were duly convened by one and the same notice as is permissible under Article 61 of the Company's Articles of Association. A copy of the notice convening the two meetings is hereto annexed and marked A the notice was sent out to the members of the company in accordance with the Company's Articles of Association. I was present at both the meetings and I say that at both the meetings the required quorum was present and that the said resolution for reduction of the share capital of the company was duly passed at both the said meetings. A copy of the said special resolution is, I am informed and verily believe, filed with the registrar of companies.

5. All the preference and ordinary shares in which the capital of the company is divided are fully paid up.

6. The company is advised that the proposed reduction does not involve diminution of liability in respect of unpaid share capital and

as the redemption of the.....preference share in pursuance of a contract contained in the Company's Articles of Association between holders of all classes of shares is from profits the proposed consequent reduction does not involve the payment to any shareholder of paid up capital and that under the circumstances the creditors of the company are not entitled to object to such reduction.

7. That as the proposed reduction of capital does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid up share capital I pray that the addition of the words "and reduced" be altogether dispensed with.

ORDER.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

Coram: W. J.

In Chambers.

GEORGE V, etc.....

In the matter of the Indian Companies, Act, VII, of 1913.

and

In the matter of the X. Y. Z. Company Limited.

The X. Y. Z. Company, Limited, having its Registered Office at.....Petitioner.

Upon reading the petition of the X. Y. Z. Company, Limited, on the.....day of.....preferred unto this Honourable Court AND UPON hearing Messrs. A. and company attorneys for the petitioner company this day AND UPON reading the said petition and the affidavit of H. C. C. sworn on the....., the order dated the ....dispensing with the list of creditors and with the addition to the company's name of the words "and reduced" and fixing a day for the hearing of the petition and directing notice of the presentation of the petition and of the day so fixed for the hearing to be inserted in the newspapers therein mentioned and the affidavit of J. S. B. sworn on the.....and the Bombay Government Gazette of the..... .....and "the Bombay Chronicle" and "Jame-Jamshed" newspapers of the..... ..day of..... each containing a notice that the said petition was appointed to be heard on the.....and none of the creditors of the company appearing either in person or by advocate or attorney this court DOTH ORDER that the reduction of capital proposed to be effected by the special resolution passed and confirmed at the two extraordinary general meetings of the petitioner company held respectively on the .....and on the. .....day of..... and which resolution was in the words and figures following:—

"Resolved that the capital of the company be reduced from Rs.....divided into..... ....preference shares of Rs.....each and.....ordinary shares of Rs..... each to Rs.....divided into.....preference shares of Rs.....each and.. .. ordinary shares of Rs.....each and that such reduction be effected by paying off from the profit of the company pursuant to Article 119 of the Articles of Association of the company, ...preference shares out of the.....preferences shares issued by the company by returning to the holders of the

.....Preference shares to be so paid of Rs.....per share being the full amount of he capital paid up thereon, the.... shares so to be paid off to be determined by drawings to be made in accordance with Article 119 of the Articles of Association of the Company" be and the same is hereby confirmed and this court doth further approve of the minute set forth in schedule A hereto and this court doth further order that a certified copy of this order be produced to the Registrar of Joint Stock Companies, Bombay and be delivered to him together with a copy of the minute in the words or to the effect set forth in the said schedule A hereto and this court doth further order that notice of the registration of this order and of the said minute be published once in "the Bombay Government Gazette," "the Bombay Chronicle" and "the Jame-Jamshed" newspapers after such registration witness Sir.....Knight Chief Justice at.....aforesaid this.....day of.....

By the Court,
Sd.
Prothonotary and Senior Master.

Seal of the High Court of

Sd.

The.....day of.....

Order drawn on application of Messrs. A and Co. Attorneys for the Petitioner.....

PETITION FOR CONFIRMATION OF REDUCTION OF CAPITAL LOST OR UNREPRESENTED BY AVAILABLE ASSETS.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies, Act, VII. of 1913.
and
In the matter of A. B. (India) Limited and reduced.

The humble petition of A. B. (India) Limited and reduced.

To

The Honourable the Chief Justice and other the Judges of this Honourable Court.

SHEWETH,

1. Your petitioner the abovenamed company (hereinafter called the company) was incorporated on the.....under the Indian Companies Act, 1913.

2. The registered office of the company is situate at.....

3. The objects for which the company was established were the acquisition as a going concern of a business carried on in..... and elsewhere by a private company also called A. B. (India), Ltd., which was then in liquidation and to carry oo the business of motor manufacturers and dealers in motor cars and motor accessories and otherwise to carry into effect the other objects set forth in the Memorandum of Association of the Company.

4. The original capital of the company was Rs..... divided into.....shares of Rs.....each. The said capital was subsequently reduced to Rs.....dividend into.....shares of Rs.....each and such reduction was effected by extinguishing the liability in respect of uncalled capital on.....shares which had been paid up as to Rs.....per share only and by repayment to the holders of.....shares which had been fully paid up or credited as fully paid up the sum of Rs.....per share and such reduction was confirmed by an order of this Honourable Court dated the.....day of.....

5. Shortly after its incorporation the company commenced and it has since carried on its business.

6. The company has issued.....of its shares and no more and the sum of Rs.....per share has been paid up or is credited as paid up in respect of all such shares. The abovementioned..... shares were issued as fully paid up in part consideration for the transfer to the company of the rights and property acquired by the company on its formation. The issue of the.....shares as fully paid up is evidenced by an agreement, dated the.....day of..... duly filed and registered with the registrar of companies.....

7. By Article 11 of the Articles of Association of the Company it is provided that the company may from time to time by special resolution reduce its capital in any manner permitted by law.

8. By a special resolution of the company duly passed and confirmed in accordance with section 81 (2) of the Indian Companies Act, 1913, at the extraordinary general meetings dated respectively on the.....day of..... .....19....and the..... day of.....it was resolved.

> "That the capital of the company be reduced from Rs..... divided into.....shares of Rs.....each to Rs.....divided into.....shares of Rs..... each and that such reduction be effected by cancelling the capital paid or credited as paid up which has been lost or is unrepresented by available assets to the extent of Rs.....per share upon each of the.....shares which have been issued and which are and shall be deemed to be fully paid up and by reducing the nominal amount of all the shares in the company's capital from Rs..... to Rs..... ..per share."

9. The said resolution aforesaid involves no diminution of liability in respect of unpaid capital all the issued shares being fully paid or credited as fully paid.

10. It is proposed to write down the property and assets of the company to the extent of Rs.....made up as follows:—

From the profit and loss account ..	..	Rs.....
From goodwill	..	Rs.....
From value of standard automobiles	..	Rs.....
From value of Buildings ..	..	Rs.....
From value of plant, machinery and tools	..	Rs.....
From value of furniture and fittings	..	Rs.....
		Rs.....

11. The form of the minute proposed to be registered is as follows:—

> "That the capital of A. B. (India), Limited, henceforth is Rs.....divided into.....shares of Rs.....

each instead of the capital of Rs.....divided into .....shares of Rs.....each. At the time of the registration of this minute.....of the said shares have been issued and a sum of Rs.....is to be deemed paid up on each of the said shares."

The company therefore humbly prays:—

(1) That the reduction of capital to be effected by the special resolution mentioned in paragraph 8 of the foregoing petition may be confirmed and that the above mentioned minute may be approved by this Honourable Court.

(2) That to this and all inquiries and directions necessary and proper may be made and given and that the addition of this words "and reduced" to the company's name may be dispensed with altogether.

(3) Or that such order may be made in the premises as to this Honourable Court shall seem meet.

And the company as in duty bound will ever pray, etc.

Sd.

Petitioners' Attorneys.

N. B.—It is not intended to serve this petition on any person.

AFFIDAVIT IN SUPPORT OF THE PETITION.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913,

and

In the matter of A. B. (India) Limited and reduced.

A. B. (India), Limited and reduced... ....Petitioner.

I, X. Y. Z. of.....residing at. .....Hindu Inhabitant General Manager of the petitioner company abovenamed make oath and say as follows:—

1. I am General Manager and have for 7 years past been Managing Director of the petitioner company (hereinafter called the company) and I am intimately acquainted with the affairs of the company.

2. The petition in this matter has been signed by me and I believe that all the statements contained in the petition are true and that belief is grounded on the knowledge I have obtained as general manager and managing director of the company as aforesaid.

3. The document hereto annexed and marked A is a copy of the certificate of incorporation of the company. The registered office of the company is now situate at.....

4. The document hereunto annexed and marked B is a print of the Memorandum and Articles of Association of the Company which contains copies of all special resolutions which have been passed and confirmed except the special resolution referred to in the said petition.

5. The document hereunto annexed and marked C is a true copy of the agreement mentioned in paragraph 6 of the said petition and dated.....which agreement was duly filed and registered with the Registrar of Companies, Bombay, before any of the shares therein mentioned were issued.

6. With the exception of the shares the subject of the agreement referred to in the last preceding paragraph all the capital credited

as paid up on the outstanding shares of the company has been paid in cash.

7. The statement contained in paragraph 7 of the petition is correct.

8. The extraordinary general meetings mentioned in paragraph 8 of the said petition were respectively convened by a notice in terms of the document a copy whereof is hereto annexed and marked D. These meetings were duly notified to the shareholders in accordance with the Articles of Association of the Company. I was present at the extraordinary general meetings at which the special resolution referred to above was duly passed and confirmed in accordance with section 81(2) of the Indian Companies Act, 1913.

9. Hereunto annexed and marked E and F respectively are true copies of the minutes entered in the minute book of the company of the proceedings held at the two extraordinary general meetings referred to in the last preceding paragraph.

10. Hereunto annexed and marked G is a balance sheet of the company showing the position of the company as at the.....

11. I say that the interests of the company and of the creditors both present and future will be in no way jeopardised by the reduction of capital proposed and I am fully satisfied that the proposed reduction is a proper step to take.

12. I say that my experience of business in Indian and with America with which the company does business indicates to me that the addition of the words "and reduced" to the name of the company is vanly likely to have an injurious effect on the reputation and business of the company through being misunderstood both in India and America.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913,

and

In the matter of A. B. (India), Limited.

A. B. (India), Limited... ....Petitioner.

Upon the petition of A. B. (Indian) Limited on the.....day of .....preferred unto this court and upon hearing the attorneys for the petitioner and upon reading the following documents:—

All containing notice of the presentation of the petition and of final hearing of the petition.

This Court doth order that the reduction of capital proposed to be effected by the special resolution passed at an extraordinary general meeting of the petitioner company held on the.....day of..... and which resolution was in the words and figures following, that is to say:..

be and the same is hereby confirmed and this Court doth approve of the minute set forth in the schedule hereto AND I DO ORDER that this order be produced to the registrar of companies AND I DO FURTHER ORDER that a sealed copy of this order be delivered to him together with a minute in the words or to the effect set forth in the schedule hereto AND I DO FURTHER ORDER that notice of the registration of this order and of the said minute be published not more than two weeks thereafter once in each in each of the following publications:—

AND I DO FURTHER ORDER that the said company be at liberty forthwith to discontinue permanently (without resumption) the addition to its name of the words "and reduced." AND I DO LASTLY ORDER that this order be filed on or before the.....day of.....

Dated this.....day of.....

M. & Co.

Petitioners Attorney.

Sd.

PRECEDENT OF PETITION FOR RESTORATION OF THE NAME OF THE COMPANY TO THE REGISTRAR OF COMPANIES.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913,
and
In the matter of the X. Y. Z. Company, Limited.

A. B. & C. D. all of.....
(Parsi inhabitants residing at....and.... respectively contributories of the above-named company.) } Petitioners.

To the Honourable the Chief Justice and other Judges of this Hon. Court.

SHEWETH,

1. The abovenamed company (hereinafter called the company) was incorporated as a company limited by shares, on.....19..... in.....The objects of the said company included amongst others the following:—

(Here set out the principal objects numbering them serially).

2. The registered office of the company was declared by the Memorandum of Association to be situated in.....and the capital of the company was there declared to be Rs.....divided into .....shares of Rs.....each.

3. The aforesaid company commenced business in the month of.....19.....soon after incorporation. It purchased a mill and factory at.....for Rs.....on freehold land situated at.....The said factory and mill were considerably expanded and improved upon at the expense of Rs.....

4. Owing to the strike and other difficulties the said factory could not be put in working order and operations had to be stopped with a view to get over the said difficulties and protracted negotiations for settlement were proceeding during the years.....and....

5. Prior to.....19.....shares of Rs.....each to the face value of Rs.....in the capital of the company were issued and a sum of Rs.....at Rs.....per share was in all paid up. Your petitioner A.B., holds.....shares on which Rs.....per share has been paid up by him and your petitioner. C.D. holds.....shares on which he has paid Rs.....per share. The said shares have been held by the respective petitioners ever since the incorporation of the company.

6. The registrar of joint stock companies on or about..... 19....pursuant to section 247 of the Indian Companies Act, 1913, struck off the name of the company off the register of companies kept by him in accordance with the Indian Companies Act, 1913, and notice thereof was published by him in Bombay Government Gazette on.....19 .....It is alleged by the registrar of joint stock companies and your petitioners have no reason to doubt same, that the said registrar also served notices and complied with all the other requirements of the Act before striking off the company's name from the register as aforesaid; but through the negligence and failure of duty on part of the managing agents of the company who were at the time in considerable difficulties arising out of the other branches of their business with which difficulties the company was not at all concerned, the said notices were not communicated to the directors or members of the company who were all kept in entire darkness thereof, nor the notices published in the newspapers and the Bombay Government Gazette as aforesaid pursuant to section 247, came to the knowledge of the directors of the company until after the name of the company was struck off as aforesaid from the register.

7. Your petitioners A.B. and C.D. were unaware at all times of the fact that proceedings were being taken with a view to strike the name of the company off the register and the company was also not aware of this fact, save as aforesaid, at any time.

8. Your petitioners submit that on.....19.....the company was carrying on business and was in operation and its factory was being built and expanded in the course of the said business. The property and assets of the company exclusive of its unpaid capital amount to was carrying on business and was in operation and its factory was being Rs.....whereas its debts and liabilities do not exceed Rs..... Your petitioners thus feel aggrieved by the company's name having been struck off the register and submit that it is just and equitable that the name of the company be restored to the register.

Your petitioners therefore humbly pray:—

(1) That it may be ordered that the name of the company be restored to the register.

(2) That the Registrar of Joint Stock Companies be directed to advertise the order of the court that may be made on this petition in the Bombay Government Gazette in his official name.

(3) Or that such other order may be made in the premises as to this Hon. Court may seem meet.

And your petitioner will ever pray.

Sd.....

It is intended to serve the petition on the registrar of companies.

JUDGE'S ORDER.

(The heading in the petition).

Upon application of the petitioners by summons, dated the..... day of.....19.....and upon hearing Mr. X. Y. Advocate for the petitioners and upon reading the said petition presented on..... day of.....19.....and the affiavit of.....sworn on..... day of.....19.....and exhibits thereon and upon the above named company undertaking by their counsel to send in to the Registrar of Joint Stock Companies their returns now in arrear, I DO ORDER that the name of the abovenamed X. Y. Z. Co., Ltd., be restored to the Register of Joint Stock Companies and that pursuant to section

247(6) of the Indian Companies Act, 1913, the said X. Y. Z. Co., Ltd., is to be deemed to have continued in existence as if its name had not been struck off AND I DO FURTHER ORDER that the Registrar of Joint Stock Companies do advertise this order in his official name in the Bombay Government Gazette AND I DO EASTLY ORDER the petitioners do pay to the Registrar of Joint Stock Companies his costs of and occasioned by the said petition such costs to be taxed, etc.

PRECEDENT OF A PLAINT FOR ENFORCEMENT OF CALLS MADE ON SHARES.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

Suit No.....

X. Co., Ltd.....Plaintiffs.

vs.

Y. Z.....Defendants.

The plaintiffs abovenamed state as follows:—

(1) Plaintiff company hereinafter called the company is a company limited by share incorporated in.....with a registered office in.....under the Indian Companies Act, 1913, with a Memorandum and Articles of Association. The defendant is a member of the company and is as such the registered holder of..... ....shares of Rs.....each in the capital of the said company and has paid up Rs.....per share.

(2) The said Company's Articles of Association contain clauses No.....and.....respectively which *inter alia* are as follows:—

(Set out the clauses).

(3) The directors of the company in exercise of the powers conferred by the aforesaid clauses made a call of Rs..... per share at a board meeting duly convened and held on .....day of.... ...19.. ..on all members including the defendant. The said call according to the resolution of the directors at the said meeting was determined by the said meeting to be paid on or before.....day of .... 19 .. . at the company's bankers the Z Bank at their Bombay Office, situated at.....

(4) The defendant was given a notice of the said call in due course calling upon him to pay the said call in the terms of the aforesaid resolution of the directors.

(5) The defendant has failed and neglected to pay the said call and there is now due from the defendant a sum of Rs.....being the amount of the said call together with interest thereon at the rate of 9 per cent. per annum as provided for by clause.....of the Articles of Association of the company from.....day of..... 19....being the date appointed for the payment of the said call as aforesaid.

The plaintiff therefore prays for a decree for:—

(a) The payment of the sum of Rs.....with interest thereon at 9 per cent. per annum from.....day of..... 19.....until payment.

(b) Plaintiffs costs of this suit.

Defences open and usual are:—

(1) That call was not made strictly in the terms of the Articles of Association.

(2) That the notice of call was not duly given to the defendant.

(3) That the directors meeting did not constitute a quorum.

(4) That certain directors did not hold the qualification shares as required by the Articles of Association.

(5) That the defendant was induced to take up the share by misrepresentation or fraud in the prospectus.

Note:—In the last case a counter claim praying for the money paid in should be made and a recession. In case of fraud a counter claim praying for recession and damages should be made. In both the cases prayer for rectification of the register of members should be made.

PRECEDENT OF A PETITION BY A SHAREHOLDER TO WIND-UP.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913,
and
In the matter of the A. B. C. Co., Ltd.

D. E. F. of.....Parsee Inhabitant,
residing at.....Petitioner.

The humble petition of the petitioner abovenamed.

MOST RESPECTFULLY SHEWETH:—

1. That the A. B. C. Company, Limited (hereinafter called the company) is a company registered under the Indian Companies Act. VII of 1913, on the.....day of.....and has its registered office at.....

2. That the nominal capital of the company is Rs.....divided into.....shares of Rs.....each. Calls to the extent of Rs.....per share have been made upto now. The amount of the capital paid up including the amount received on forfeited shares, as appearing from the last balance sheet of the Company, is Rs.....A copy of the last report and balance sheet is annexed and marked A.

3. That the objects for which the company was started are to carry on the business of Merchants in aluminum, brass and other metals and of dealers and manufacturers of and dealers and workers in articles of aliminium, brass and other metals and the other objects set forth in the Memorandum of Association thereof. A copy of the Memorandum of Association of the Company is annexed hereto and marked B.

4. That your petitioner holds.....shares of the company and the same have been held by him and registered in his name for over six months during the last eighteen months.

5. That your petitioner says that the affairs of the company are in a great disorder.

The company has been making huge losses from year to year as shown in the following statements:—

The losses of the Company before 1922 .. .. Rs.
The losses of the Company at the end of March 1922, as disclosed in the 2nd annual balance sheet .. „
The losses of the Company at the end of March, 1923, as disclosed in the 3rd Annual Balance Sheet .. „
The losses of the Company at the end of March, 1924, as disclosed in the 4th Annual Balance Sheet .. „
The losses of the Company at the end of March, 1925, as disclosed in the 5th Annual Balance Sheet .. „
The losses of the Company at the end of March, 1926, as disclosed in the 6th Annual Balance Sheet .. „
The losses of the Company at the end of March, 1927, as disclosed in the 7th Annual Balance Sheet .. „

Since the.....day of.....the Company has incurred further losses which will absorb a substantial portion of the remaining assets of the Company.

6. The shareholders holding more than half the shares are in favour of a winding up by the court but as more than ¼ number of shares are held by the directors and managing agents most of which were allotted to them as founders shares in consideration of services rendered in connection with floatation it is not possible to get an extraordinary or special resolution passed with a view to resolve on a compulsory winding up.

7. The last published balance sheet of the company, a copy whereof is annexed as exhibit A hereto shows the book debts due to the company to be Rs..... . ..out of which only the amount of Rs.....is considered good and the rest of the amount is practically unrecoverable. The factory, machinery, tools etc. would hardly realise Rs.....if sold and there are about Rs..... to the credit of the Company in the Banks or in cash as against which, there are large contingent liabilities which are referred to in the said balance sheet. The petitioner submits that the whole substratum of the company is gone and it is not possible to carry out at a profit the main objects and essential purpose for which the company was formed. The petitioner further submits that the business of the company has been carried on at a constant loss and has come practically to an end without any prospect of resuscitation and the whole of the capital of the company has been almost spent and that if the company continues to carry on business, it must inevitably become insolvent.

8. Under the circumstances, your petitioner submits that the further continuance of the company's business will result in irretrievable loss to the shareholders and the circumstances are such that the shareholders ought no longer force to risk their property in any further continuance of the company's business and questions of considerable difficulty are likely to arise in the course of the winding up of the company and that it is just and equitable that the company should be wound up by and under the directions of this Honourable Court.

Your petitioner, therefore humbly prays:—

(1) That the company may be wound up by this Hon'ble Court under the provisions of the Indian Companies, Act VII of 1913.

(2) That some fit and proper person may be appointed as liquidator and also as provisional liquidator.

(3) That such other order may be made in premises as shall be just and that your petitioner's cost may be provided for.

Petitioner's Attorney.

Sd. D. E. F.

I, D. E. F. of.....Parsee Inhabitant, the Petitioner abovenamed, residing at.....do solemnly declare that what is stated in the above petition is true to my own knowledge, information and belief, and I believe the same to be true.

Solemnly declare at..... aforesaid this..... day of .....19.....

Sd. D. E. F.

Before me,
Sd.
Commissioner.

AFFIDAVIT VERIFYING THE PETITION.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies, Act, VII of 1913.
AND
In the matter of the A. B. C. Company, Limited.

.. D. E. F.....Petitioner.

I, D. E. F. of.....Parsi Inhabitant, residing at..... the petitioner abovenamed, do make oath and say that such of the statements in the petition now produced and shown to me and marked with the letter A as related to my own acts and deeds are true and such of the said statements as related to the acts and deeds of any other person or persons, I believe the same to be true.

Sworn at.....aforesaid this.....day of... . ...

Sd., D. F. E.

Beforeme,
Sd.
Commissioner.

Sd., Petitioner's Attorneys.

PRECEDENT OF PETITION FOR CONTINUING A VOLUNTARY WINDING UP ALREADY RESOLVED UPON UNDER THE SUPERVISION OF THE COURT.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of Indian Companies, Act, 1913.
and
In the matter of X. Y. Z. Co., Ltd., (In voluntary liquidation.)

A. B. of.....Petitioner.

To the Hon. the Chief Justice and other Judges of this Hon'ble Court.

The humble petition of A. B. of.....

SHEWETH as follows:—

1. The X. Y. Z. Company, Limited (hereinafter called the company), was in the month of.....incorporated under the Companies, Acts.

2. The registered office of the company is at.....

3. The nominal capital of the company is Rs..... divided into.....shares of Rs.....each. The amount of the capital paid up or credited as paid up is Rs.....

4. The objects for which the company was established are as follows:—

To

and other objects set forth in the memorandum of association thereof.

(Here set out in paragraphs the facts on which the petitioner relies, and conclude as follows:)

Your ptitioner therefore hubmly prays as follows:—

(1) That the voluntary winding up of the Company, Limited, may be continued but subject to the supervision of the Court.

(Here state in case some other party is suggested as liquidator in subtitution of the liquidator appointed in voluntary liquidation)

(2) Or that such other order may be made in the premises as shall be just.

Note:—It is intended to serve this petition on.....

PRECEDENT OF A CREDITOR'S PETITION FOR AN ORDER OF WINDING UP UNDER SUPERVISION.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of Indian Companies, Act, 1913.

AND

In the matter of A. B. C. and Company, Limited a joint stock company registered under Indian Companies, Act, 1913.

The humble petition of B., of.....showeth as follows:—

1. That the A. B. C. Company, Limited (hereinafter called the company) is a company registered under the Indian Companies, Act, 1913 on the.....day of.....and has its registered office at.....

2. That the nominal capital of the company is Rs..... divided into.....shares of Rs.....each. Calls to the extent of Rs.....per share have been made upto now. The amount of the capital paid up including the amount received on forfeited shares, as appearing in the last balance sheet is Rs..... A copy of the last Report and balance sheet is annexed and marked A.

3. The objects for which the company was established as set forth in the Memorandum of Association include the following:—

(Set out the objects here).

4. Shortly after its in corporation the company commenced its business and was carrying on business till.....when it was put

in voluntary winding by a resolution of shareholders as referred to hereunder.

5. The company is indebted to your petitioner in the sum of Rs.....for money lent to the company on the security of a promissory note dated.....whereby the company promised, to pay the said sum with interest at 9 per cent per annum on demand from the date thereof to the date of payment.

6. At an extraordinary general meeting of the company duly convened and held at.....on the.....day of.....an extraordinary resolution was passed as follows:—

(Set out the voluntary winding up resolution).

And at the said meeting C, of....., was duly appointed liquidator for the purposes of the said winding-up (or by special resolution of the company passed and confirmed at extraordinary general meetings thereof, held respectively on the.....day of .....and the.....day of..... .....it was resolved that the company should be wound up voluntarily, and that A, of....., should be and he was thereby appointed liquidator for the purposes of such winding-up).

7. Since the passing of the said resolution your petitioner has made several applications to the company and the said liquidator for payment of the principal moneys and interest secured by the said promissory note. The said liquidator has admitted that such principal moneys and interest are justly due from the company to your petitioner, but he has not paid the same.

8. The assets of the company consist (1) of uncalled capital to the extent of Rs.....or thereabouts, (2) of a freehold colliery, and (3) of other items of inconsiderable value.

9. No call has been made by the said liquidator upon the members of the company, and the company's colliery has not been sold.

10. A purchaser of the said colliery could readily be found, but your petitioner is informed and believes that the said liquidator intends to retain the said colliery until a revival in trade shall render it more valuable than at present. He recently refused an offer of Rs.....for the said colliery.

11. Your petitioner has on several occasions urged the said liquidator to provide the funds to pay off the company's creditors, either by sale of the company's property or by calling up the uncalled capital, but without success.

12. The debts of the company amount Rs.....or thereabouts and the company is unable to pay the same.

13. The majority of the company's creditors desire that an order should be made for continuing the voluntary winding-up under the supervision of the Court, and, unless such an order is made, the interests of the company's creditors will be seriously prejudiced by the voluntary winding-up of the company.

Your petitioner therefore humbly prays:

(1) That an order may be made directing that the voluntary winding-up of the company be continued, but subject to the supervision of the Court.

(2) Or, in the alternative, that the company may be wound up by the Court under the provisions of the Companies, Act.....

(3) Or that such other order may be made in the premises as shall be just.

And your petitioner will every pray, &c.

NOTE:—It is intended to serve this petition on the abovenamed company, and on C. the liquidator thereof.

PRECEDENT OF A PETITION BY AN ORDINARY CREDITOR WHO HAS LENT AND ADVANCED MONEY FOR WINDING UP BY THE COURT.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913
and
In the matter of the D. E. F. Co., Ltd.

Mr. X. Y. Z.....Petitioner.

SHEWETH as follows:—

1. The A. B. Company, Limited was incorporated under the Indian Companies Act, VII of 1913.

2. The registered office of the company was at.....

3. The nominal capital of the company is Rs.....divided into.....shares of Rs.....each. Call to the extent of Rs. .....per share.....made up to now. The amount of the capital paid up including the amount received on forfeited shares as appearing from the last balance sheet of the company is Rs..... A copy of the last balance sheet and report are annexed and marked A.

4. Objects of the company among others are the following:—
(Detail the Principal Objects.)

5. The agreement referred to in the Memorandum of Association of the company provided *intre alia* for the appointment of..... .....as agents of the company for a period of 25 years. The agreement was after the incorporation of the company duly executed by the said.....agents

6. In 1920 the company deemed it advisable to put in larger plant than was originally intended and for that purpose raised the capital of the company to Rs.....

7. In 1922 the company issued six mortgaged debenture bonds of Rs.....each as security for the amount of Rs..... Dividend on the debenture bonds still remains unpaid.

8. The company from the date of its commencement of its business to the present date has paid no dividend to its shareholders at all. The only time where the company showed the profit was for the year ended 31st December, 1926. When according to the balance sheet there was a profit of Rs.....which was appropriated as follows:—

9. On the 18th July, 1927, the petitioner lent Rs.....to the company to be repaid after 90 days with interest at 6% per annum. On the 12th day of September, the petitioner lent further sum of Rs.....to be repaid with interest at 7% per annum. On the 10th day of November, the petitioner lent further sum of Rs.....to be repaid with interest at 7% per annum. The petitioner has up to now received no interest on any of the abovenamed three loans. Herewith annexed and marked A are copies of the 3 receipts by the company for the 3 loans of Rs.....each.

10. On the 6th day of February, 1929 the petitioner through his solicitor wrote to the company demanding payment of the 3 loans of Rs.....each with interest within 24 hours from the receipt thereof and intimating that in default such proceedings would be taken against the company as he might be advised. Herewith annexed and marked B is a copy of the said letters.

11. On the 23rd February, 1929, the company sent a reply to the petitioner's solicitor stating that their letter was placed before the board of directors at their meeting held on the 15th instant and in the result the board had to inform them that the company was not in the opposition to meet their demands and in those circumstances they must leave them to take such steps as they might be advised Herewith annexed and marked C is a copy of the reply.

12. The company has not repaid any part of the said loan or interest thereon nor has it secured for repayment for the amount due to the reasonable satisfaction of the petitioner or at all. As shown above the subscribed capital of the company is only Rs..... There are six mortgaged debenture bonds issued by the company for Rs.....on which the company has to meet the debenture interest as well as interest on other loans continues. The loss which the company made in 1927 was Rs.....There is no balance sheet for any subsequent period. The company closed down its business in or about March, 1928, and has done no business since the company is unable to restart the business except at a loss.

13. Your petitioner accordingly says:—

(a) That the company is unable to pay its debt.

(b) That it is just and equitable that it should be wound up.

14. Your petitioner humbly prays as follows:—

(1) That the A. B. company, limited, may be wound up by the Hon'ble Court under the provision of the Indian Companies Act, VII of 1913.

(2) That.....some fit and proper person may be appointed as liquidator and also as provisional liquidator.

(3) That such other order be made in the premises as shall be just and as to this Hon'ble Court may seem fit.

Signature of Petitioner.

Petition drawn by,
Sd.
Petitioners' Attorneys.

PRECEDENT OF A PETITION TO WIND UP BY A JUDGMENT CREDITOR.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913
and
In the matter of A. B. C. Co., Ltd.

X. Y. Z.....Petitioner.

The humble petition of X. Y. Z. of....., showeth as follows:—

1. The A. B. C. Company, Limited (hereinafter called the company), was in the month of.....19.....incorporated under the Indian Companies Act (.....), as a company limited by shares.

2. The registered office of the company is situated at.....

3. The nominal capital of the company is Rs.....divided

into.....shares of Rs.....each. The whole of the said shares have been issued, and the amount of the capital paid up or credited as paid up is Rs.....

4. The objects for which the company was established are as follows:—

(a) &c.

(Here the paragraph will state the leading objects, and conclude, "and other objects set forth in the Memorandum of Association thereof.")

5. Your petitioner is the holder for valuable consideration of a bill of exchange, dated the.....day of....., for Rs..... payable six months after date, drawn by.....upon and accepted by the company, and indorsed by diverse persons. The said bill was dishonoured at maturity.

6. On or about the.....day of....., your petitioner duly commenced and prosecuted an action in.....Court against the company for the recovery of the amount of the said bill and interest.

7. The company failed to appear in the said action, and your petitioner on the.... ...day of.....recovered judgment in the said action against the company for the sum of Rs..... ....and costs, which costs were afterwards taxed and certified to amount to..... making the sum of Rs.....recovered by the said judgment.

8. Your petitioner on the.....day of.....issued an execution against the property of the company under the said judgment; but on the.....day of .....the sheriff to whom the said writ was directed, returned the same wholly unsatisfied, the company having no goods or chattels unencumbered upon which execution could be levied.

9. The said judgment is wholly unpaid and unsatisfied, and the amount thereof is justly due and owing to your petitioner.

10. The company is (insolvent and) unable to pay its debts.

11. The assets of company are estimated approximately about ....and its liabilities are estimated to amount to about Rs.....

12. In the circumstances it is just and equitable that the company should be wound up.

Your petitioner therefore humbly prays as follows:—

(1) That the A. B. C. Company, Limited. may be wound up by the court under the provisions of the Indian companies Act.

(2) That some fit and proper person may be appointed as liquidator and also as provisional liquidator.

(3) Or that such other order may be made in the premises as to the court shall seem meet.

Note:—It is intended to serve this petition on the A. B. C. Co., Ltd.

PRECEDENT OF A COMPANY UNABLE TO PAY ITS DEBTS FOR WINDING UP BY THE COURT.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913

and

In the matter of X. Y. Z. Company, Ltd.

The humble petition of the X. Y. Z. Company, Limited, showeth as follows:—

1. Your petitioner, the abovenamed company (hereinafter called the company), is a company registered under the Indian Companies Act, 1913, on.....day.....of.....and has its registered office at.....

2. The authorised capital of the company is Rs.....divided into.....shares of Rs.....each. Calls to the extent of Rs.....per share have been made up to now. The amount of the capital paid up including the amount received on forfeited shares is Rs.....

3. The principal objects for which company was started are the following:—

(Here set out the objects).

4. In the course of its business the company has accepted bills of exchange to the extent of Rs.....and upwards. Two of these bills for Rs.....and Rs.....respectively, became due on the..... day of.....but the company was unable to meet them. They still remain unpaid.

5. The remainder of the said bills will arrive at maturity in the course of the month of.....19...., and the company has no funds with which to meet them.

6. The assets of the company are valuable. They consist in part of a colliery which was purchased in the year.....at a cost of Rs....., of machinery and plant, of book debts amounting to upwards of Rs.....and of uncalled capital to the extent of Rs.....There are diverse incumbrances affecting the company's property, and the company cannot obtain any further advance upon the security thereof.

7. The company's account at its bankers has been overdrawn to the extent of Rs....., or thereabouts and the bankers refuse to allow any further overdraft.

8. The company's colliery is in full working order, and upwards of.....men are employed in or about the same. It is worked at a considerable profit.

9. The assets of the company if realised would be far more than sufficient to pay and satisfy all the debts and liabilities of the company.

10. The company is unable to pay its debts, and in the circumstances aforesaid it is just and equitable that the company should be wound up.

Your petitioner the company humbly prays:—

(1) That the company be wound up by this Hon'ble Court under the provisions of the Indian Companies Act, 1913.

(2) That some fit and proper person may be appointed as liquidator and also as provisional liquidator.

(3) That such other order may be made in the premises as shall be just and as to this Hon'ble Court may seem fit.

Note:—It is not intended to serve this petition on any person.

PRECEDENT OF AN AFFIDAVIT IN SUPPORT OF A PETITION FOR WINDING UP BY THE COURT.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

I.....of Bombay residing at.....first

petitioner abovenamed do make oath and say as follows:—

1. Such of the statements made in the petition now produced and shown to me and marked with the letter A as relate to the acts and deeds of the petitioners are true and such of the said statements as relate to the acts and deeds of any other person or persons I believe the same to be true.

2. I say that the company is unable to pay the large amount due and payable by it to the petitioners for principal and interest. Besides the sum of Rs.....a large amount has remained due and payable by the company to the petitioners for interest even. During the year 1924-25 the company has made heavy losses and for the last several months the company has not been working its mills and the said mill has remained closed. The company is indebted to several other persons in several lack of rupees and has been unable to pay even the amount of the Insurance premium due to the Insurance company with which the company has effected an insurance as also the amount due and payable by it to the.....Company for electrical energy supplied to the company. The petitioners demanded from the company the amount due and payable to them but the company has failed and neglected to pay same and asked for time. I say that it is clear that the company is unable to pay its debts and that the only course left open for the company is to be wound up.

3. I therefore pray that this Hon'ble Court will be pleased to make an order for winding up the company. It is very desirable and necessary to appoint some fit and proper persons, the provisional liquidator and I pray that this Hon'ble Court will be pleased to appoint some fit and proper person provisional liquidator of the company.

Sworn at.....
this.....day of.....
Before me. ....
Sd.....
Commissioner.

PRECEDENT OF A JUDGE'S ORDER APPOINTING PROVISIONAL OFFICIAL LIQUIDATOR AND REGARDING THE ADVERTISEMENTS AND SERVICE OF THE PETITION.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913
and
In the matter of A. B. C. a joint stock company registered under Indian Companies Act, VII of 1913 and having its registered office at.....

A. B. C.....Petitioner.

Upon reading the petition of the petitioner abovenamed declared on the.....day of.....and the affidavit of.....the first petitioner abovenamed sworn under same day and upon hearing Mr.....advocate for the petitioner abovenamed I do order that the said petition for winding up the abovenamed company be advertised once in the Bombay Government Gazette, once in the Times of India and the Daily Mail and once in the Jame Jamshed and in

the Sanj Vartman and that the said petition be served at the registered office of the company and on Messrs.....attorneys for the company and I DO HEREBY APPOINT Mr.....the original official liquidator of the abovenamed company AND I DO HEREBY LIMIT and restrict the powers of the said Mr.....the original official liquidator to the following acts that is to say to take charge of the books of account and other assets belonging to the company AND I DO FURTHER ORDER that the cost of and incidental to this order be costs in the winding up the petition AND I DO LASTLY ORDER that this order be filed on or before the.....day of.....

Dated.....day of.....

Petitioners attorneys.

REPORT OF THE OFFICIAL LIQUIDATOR ON A COMPROMISE AND APPLICATION FOR DIRECTIONS.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913

and

In the matter of X. Y. Z. a joint stock company registered under Indian Companies Act, VII of 1913 and having its registered office at.....

A. B. C.. .....Petitioner.

D. E. F..... Official Liquidator.

I.....of.....Inhabitant, the constituted attorney of Mr..... ...the official liquidator of the..... company (in liquidation) beg to submit the following further report to the Hon'ble Sitting Judge in Chambers for directions.

1. On the.....day of.....I had submitted a report to the Hon'ble the Chamber Judge in connection with claim which was made by the trustees of the.....At the time the said report was submitted by me it was arranged that Rs .....should be paid to the said trustees and compromised their claim and in anticipation of the said trustees accepting the said sum of Rs.....in full satisfaction, I do apply for directions to the Hon'ble Sitting Judge in Chambers and His Lordship was pleased to make an order authorising me to compromise the said claim by paying to the said trustees the sum of Rs..... .....

2. Since then the said trustees with a written opinion of the counsel and have informed me and my attorneys that they were advised that..... company, limited, was to obtain the consent of the said trustees at the time of executing the mortgage in favour of..... and the Hon'ble Mr..... ....was bound to pay the premium and that since it had failed to do so, a forfeiture was incurred by the said company and the trustees would become entitled to re-enter the said trustees who were further advised by the counsel that even if the consent was obtained at the time of executing the mortgage on payment of the said premium the trustees were entitled to a further premium of Rs.....at the time of reconveyance and re-assignment by the mortgagees and also to a further premium of Rs.....because the company went into liquidation. Thus the trustees of the said charities contended that in addition to the premium

of Rs.....payable on the sale of the mill properties by the company they had become entitled to three more premia of Rs..... *viz.*, one at the time of mortgage, another at the time of re-assignment and the third because the company had gone into liquidation. A meeting afterwards took place in the Chamber of Mr..... the counsel for the said trustees and ultimately the claim of the said trustees was compromised on the term that the official liquidator should pay to the said trustees the sum of Rs.....in full satisfaction of their claim in addition to the sum of Rs.....which is admittedly payable to them because of the sale of the properties belonging to the mill and their proper provision made in the deed of consent to be given by the said trustees in order to avoid any doubt arising under the terms of the deed on rent charge bearing date.....

3. In accordance with the said terms of settlement the necessary deed of consent has been prepared which is to be executed by the company and the official liquidator as also by the purchasers..... .....and the said trustees and the material portion of the said deed of consent which is required to be executed by the official liquidator is as under:—

"Now this indenture witnesseth that in pursuance of the said agreement and in consideration of the premises of .....Company (in liquidation) and the said Mr..... .as such liquidator as aforesaid and the said.....company had and each of them that on behalf of themselves, their respective successors and assigns hereby agree, covenant and declare notwithstanding anything omitted or contained to the contrary in the said Indenture dated.. ....."

"If and whenever at any time herewith the said company (in liquidation) from the said Mr. . . ..as the liquidator therewith or the said company shall be desirous of granting or transferring by way of sale, mortgage or otherwise, the said land, hereditaments and premises described in the first schedule hereunder written or if and whenever the said.. .....company (in liquidation) for the said mills Ltd., their respective successors or assigns shall be wound up for any of the objects mentioned in the proviso in that behalf in the said indenture contained or if and whenever the said.... company (in liquidation) or the said Mr.....their respective successors or assigns is or their heirs, executors or administrators shall cease to carry on business then and in any of such cases the said trustees shall have the option of requiring payment out of premium or fine of Rs.. ... .or a sum of Rs..... as the capitalised value of the rent charged mentioned and provided in the clause in that behalf in the said Indenture dated..... .. ....in the same manner as if the present clause was contained in the said indenture dated....."

And also that the said clause in the said Indenture shall be read and construed as if there were inserted thereof the words "successors and assigns" between the words "the said company" and "shall be desirous of granting" and between the words "the said company" and

"shall cease to carry on business" and it is hereby further agreed and declared that the clause in the said Indenture dated..... providing for and entitling the said trustees to re-enter on the said land, hereditament and premises described in the first and second schedules hereunder written in the event of breach of all or any of the covenants in the said Indenture contained shall govern and apply and entitle the said trustees to re-enter as in the said clause provided on the breach of both or either of the said clause in the said Indenture providing for payment of premium or the capitalised value of the rent charged or and for the consent of the said..... her heirs, executors, administrators and assigns being obtained before completion of intended grant or transfer and that the said clause for re-entry in the said Indenture shall be read and construed as if the said hereinbefore recited clause providing for payment of premium or capitalised value and for obtaining the trustees consent as aforesaid preceded the said clause for re-entry in the said indenture dated.....and further that these presents shall be treated as supplementary to the said Indenture dated.....and shall not affect the said Indenture further or otherwise than what is herein contained and that save as aforesaid the said Indenture dated..... ....and every clause thereof shall continue of full effect and be binding on the respective parties and it is hereby declared that the trustees do hereby consent to the said land, hereditaments and premises described in the first schedule hereunder written being granted and transferred unto the said.....company subject to the rent charge and benefits, covenants, conditions and provisos contained in the said Indenture dated.....and in these presents contained.

(4) I submit that having regard to the opinion given to the trustees by their counsel and having regard to all the circumstances mentioned in my first report, the Official Liquidator is of opinion that it is desirable and in the interest of the company to accept the proposal of paying Rs.....to the said trustees in full satisfaction of their claim including the cost and to compromise the matter and become party to execute the Deed of Consent as required by them. The terms of the said deed of consent have been approved by the purchasers and there would therefore be no objection to the Official Liquidator agreeing to the said terms and executing the said deed of consent.

.....dated.....

per pro.... .....

Sd..... . ..

Official Liquidator.....

JUDGE'S ORDER SANCTIONING THE COMPROMISE AND AUTHORISING MR.....TO EXECUTE THE DOCUMENT.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913

and

In the matter of X. Y. Z. a joint stock Company, registered under Indian Companies Act VII of 1913 and having its registered office at.....

A. B. C.....Petitioner.
Mr. D. E. F.....Official Liquidator.

Upon reading the two reports of Mr.....appearing dated .....and the second dated.....the constituted attorney of Mr.....the Official Liquidator and upon hearing Messrs. .....attorneys for the Official Liquidator, I do in supersession of the order made by me on the.....day of.....make this order and do hereby sanction the proposed compromise between the Official Liquidator on the one hand and the trustees of the..... charities on the other hand of the claim made by the said trustees by paying to the said trustees a sum of Rs.....in full satisfaction of their claim including the cost and I do hereby authorise the Official Liquidator to pay to the said trustees the said sum of Rs..... out of the sale proceeds of the properties belonging to.....company (in liquidation) and I do order that Mr.....as the constituted attorney of the Official Liquidator be and is hereby authorised to execute as such constituted attorney of Mr.....the Official Liquidator of the above named company, the conveyance in respect of the property of the above named company in favour of..... as also the Deed of Consent between the above named company and its Official Liquidator of the first part, the said company limited of the second part and the said trustees of the said charities of the thrid part has also the surrender of lease and such other documents as may be necessary and to affix to the said documents the common seal of the said company on behalf of the Official Liquidator and I do hereby order that the cost of and incidental to this order be costs in the sale and I do lastly order that this order be filed on or before the..... ..day of.....

Bombay dated. .....

Sd.

Sd:
Attorneys for the O.L.

FORM OF MISFEASANCE SUMMONS.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913

and

In the matter X. Y. Z. Company, Limited (In Liquidation).

G H..... .....Applicant.

Versus

(1) A. B. C., (2) D. E. F.....Defendants.

Let the defendants abovenamed attend at the Chambers of the High Court on.....day of.....19 . at 11-30 O'Clock in the afternoon on the hearing of an application of the applicant abovenamed as a creditor of the above company for the following declarations and order:—

(1) That it may be declared that the aforesaid defendants were directors of the abovenamed company, and as such directors they were guilty of misfeasance and breach of trust in that they as such directors wasted the money of the company through gross and wilful negligence as well as wilful default, the consequence of which was a

pecuniary loss to the company and misapplication of its assets amounting to Rs.....

(2) That it may be declared that the aforesaid first defendant is liable to contribute to the assets of the said company as compensation for the said misfeasance or breach of trust for the sum of Rs.....and that the second defendant likewise is liable for the said misfeasance or breach of trust for a sum of Rs..... jointly and severally with the first defendant under the circumstances mentioned in the affidavit of the applicant sworn on.....day of.....19 . with interest thereon at the rate of 9 per cent. per annum or at such other rate as may be ordered by the Court from such date or dates as the Court may think proper and that the said defendants be ordered to pay to the Official Liquidator of the said company the respective amounts as aforesaid together with interest aforesaid until an aggregate contribution amounting in all to Rs.....together with interest as aforesaid is recovered.

(3) That the said defendants be ordered to pay to the applicant abovenamed his costs of this application.

Dated.....day of..... ..19 .

This Summons was taken by
Messrs.....Attorneys for the applicant abovenamed.

To,

1. A. B. C.
2. D. E. F.

FORM OF AFFIDAVIT IN SUPPORT OF THE MISFEASANCE SUMMONS

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913
and
In the matter of X. Y. Z. Company. Limited (In Liquidation).

G. H..... .. .. Applicant.

Versus

(1) A. B. C. (2) D. E. F. . ..... Defendants.

I, G. H. Parsi Inhabitant, a creditor of the X. Y. Z Company, Limited (in Liquidation) make oath and say as follows.—

(1) The X. Y. Z. Company, Limited, hereinafter called the Bank was registered under the Indian Companies, Act in Bombay on .....day of.....as a Public Limited Company, with its capital divided into Shares and among its objects were to establish and carry on business of a bank and banking in general in all its branches including the lending of money on goods, produce whether manufactured or otherwise, Bill of Lading, Railway Receipts, Warrants, Debentures, Shares, Stocks, Certificates, etc.

(2) In or about the month of..... ..19.....the said bank was ordered to be wound up by an order dated the.....day of.....19..... on the petition of a shareholder named J. K. and an Official Liquidator was appointed to wind-up the said bank.

(3) I became a creditor of the said bank by depositing a sum

of Rs.....on.....day of.....19....as fixed deposit for a period of six months on interest at the rate of 7 per cent. per annum, in respect of which the bank passed me a deposit receipt, hereto annexed and marked A is a copy of the said deposit receipt. This was exactly about three months prior to the date of the presentation of the petition for winding-up as aforesaid and about six months prior to the actual winding-up order as aforesaid. The whole amount of the said Rs.....and interest from the date of deposit thereof is still due and unpaid.

(4) When the said bank went into liquidation it was found that there were creditors to the extent of nearly.....lakhs of rupees whereas the company's realised assets in the hands of the Official Liquidator is about Rs.....which after the payment of the cost of the said assets there will be almost nothing left to be distributed among the creditors of the said bank. These assets are mostly made up of absolutely irrecoverable bad debts and the securities taken are not of any value.

(5) It was also discovered on liquidation that about..... rupees are due by one L. M. The said L. M. was also the Managing Director of the said bank from 1921 to 1922 and he was also a large shareholder.

(6) The other large debtor of the bank is one N. O. in a sum of about Rs.....who was also one of the Managing Directors of the said bank from 19.....to the date of its liquidation in 19..... Prior to his appointment as such Managing Director he was employed as the Secretary of the said bank under the aforesaid L. M. None of the aforesaid Managing Directors are able to pay anything towards the money owing by them.

(7) With reference to the said L. M. he was allowed by a resolution dated..... 19.....of the Board of Directors as appears from the business book of the said bank to overdraw in current account in the name of L. M. without a demand promissory note, at 9 per cent. up to Rs.....and according to the minutes of the Board of Directors dated.....he was appointed a Managing Director at a remuneration of..... .....per cent. of the profits as they accrued from... .. ...19... ... ..The said L. M. after he was appointed as a Managing Director as aforesaid overdraw heavily so that by the. . .. . 19 .. .. the overdraft amounted to Rs.... ... .The said L. M made thereafter various wrongful and fraudulent manipulations of account by which and by other means the said overdraft was reduced by transfer entries etc. It appears from the Directors resolution No.....of the..... 19 . that the directors resolved to limit the advance to the said L. M. to the extent of Rs.....only, calling upon him to repay the excess. At this date the amount due by the said L. M. exceeded Rs. ... .. . in spite of that the said L. M. continued to draw far in excesse of the overdraft limit. Ultimately the Board of Directors removed the said L. M. from his post of Managing Director by their resolution No.....of..... 19.....and subsequently obtained a decree in.....19.....against the said L. M. for Rs.....The Board by the same resolution appointed the N. O. as the Managing Director.

(8) The said N. O. was doing business jointly with his brother P. and prior to the time of N. O.'s appointment as a Managing Director on.....19.....these brothers had an overdraft

jointly at a limit fixed by the Board of Directors at Rs..... which limit they had touched by this time, but after the appointment of the said N. O. as a Managing Director, there were continuous overdrafts far exceeding this limit which by.....19 amounted to Rs.....and on the date of the Petition for liquidation amounted to Rs.....The first defendant A. B. C. was appointed a Director by the Board's resolution No.....dated .....and the second defendant D. E. F. was appointed a director on.....19

(9) The practice of the Board of Directors meeting was that at every meeting, a statement of overdraft balances was placed before them, which was evidently being done and according to Articles Nos. .....of the Articles of Association of the said bank the directors meeting had to be held once every fortnight. The balance-sheets were prepared upto and including the year.....which was the last balance-sheet, but none of the debts due by L. M. or N. O. were written off as had or doubtful debts in spite of the fact that the directors were fully aware of the fact that the same were irrecoverable and althroughout profits have been shown as having been made by the bank from year to year, apparently on the footing of paper interest earned thereon together with other debtors of the bank. Both the defendants were fully cognisant of these facts and actively concurred at it.

(10) The said defendant A. B. C. joined the Board of Directors as aforesaid as early as. ... .of.....19.....and became the most active and important director of the said bank receiving as he did a monthly remuneration of Rs .....The second defendant D. E. F. joined the bank as a director on.....19..... and commenced attending the meetings of the Board of Directors from.....19.....and continued regularly attending all meetings of the board upto..... ..19.... .....Both the defendants were present at the meetings held from time to time of the Board of Directors and were fully cognisant of the fact that the affairs of the bank were in a hopelessly bad condition and that it was in the interest of the bank as well as its creditors to wind the same up without loss of time, its whole substratum being nearly lost and that the continuation of business meant a continuous loss through the heavy establishment charges and expenses. They were also fully aware of the overdrafts from time to time by both L. M. and N. O. In spite of that they wilfully and negligently permitted these unsecured overdrafts as well as the continuance of the Bank and through wilful exhibition of false profits in the balance-sheets and published accounts enticed innocent members of the public who relied upon the statement issued by them as members of the Board of Directors of the said bank to deposit their money which they wrongfully spent and wasted on unsecured and rash investments and loans as well as on establishment charges and their own remuneration. Both the defendants were also present in general meetings of the shareholders from year to year from the year 19.. .. ..to the date of the last meeting prior to liquidation.

(11) An idea of the gross mismanagement and negligence of the defndants could be further had from the fact that at the meeting held of the Board of Directors on.....19.....where both of the aforesaid defendants were present the old Managing Director L. M. against whom civil and criminal proceedings were threatened

and against whom a decree had been obtained for the large overdraft as aforesaid as early as 19.....and which he had not paid, was appointed a director on the Board.

(12) By a resolution No.....dated.....19..... at the meeting of the Board of Directors where both the defendants were present the balance-sheet for the year ending.....19..... was passed showing an imaginary profit of Rs.....

(13) The gross recklessness and the ulterior motive with which this bank was managed is further evidenced by a resolution No..... .....which is the last resolution that the Board of Directors of this bank passed dated..... ..At this meeting the Board actually decided to open a branch office of the said bank at.....from ....19.....Fortunately through the movement for and the ultimate culmination of the bank being forced into compulsory liquidation through a creditor's petition, this further exploitation of the depositors in a new locality was prevented in time.

(14) I submit that the facts as stated above clearly prove that both the defendants were guilty of gross and wilful negligence and breach of trust which has caused considerable peculiary loss to the bank as a direct result of their neglect wilful default and breach of duty. In spite of complete information as to the substratum of the bank being irrecoverably lost, they deliberately continued to permit unsecured overdrafts fully conscious of the fact that amounts so drawn were unrecoverable and paid out moneys from year to year towards large establishment expenses instead of acting as men of business of ordinary prudence would do in the conduct of their own affairs, *viz.*, closing the business by winding-up the bank and thereby saving such of the assets of the bank as were left under their control. The powers under the Articles in connection with supervision of the board were ample and unrestricted but instead of exercising these powers in the best interests of the bank they continued the hopeless career of the bank under the cover of false and misleading balance-sheets. As bank directors their special responsibilities and duties were not only grossly neglected by both the defendants but they deliberately and wilfully acted contrary to their duties.

(15) Finally I submit that the sum of Rs ... .was thus lost to the bank according to the aforesaid report of the auditor appointed by the Official Liquidator during the years..... through gross neglect and wilfull misapplication as aforesaid. The first defndant was a director for..... .. .and is therefore liable jointly and severally with his other debtors for Rs. .....and the second defendant having acted as a director for.....is also liable for Rs. . ... ..on the same footing which they should be orderd by this Honourable Court to contribute towards the assets of the company as compensation with interest thereon at the rate of 9 per cent. or at any other rate as may be ordered by this Court for the aforesaid misfeasance and breach of trust.

Hereto annexed and marked B is the list of documents etc.

PRECEDENT OF AN AFFIDAVIT IN SUPPORT OF A MISFEASANCE SUMMONS AGAINST AUDITORS, JUDGES SUMMONS AND DECREE.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies, Act, VII of 1913.
and
In the matter of X. Banking Company, Limited.

A. B. C.....Petitioner.

I, A. B. C. of..... .....Parsi, residing at....., the Official Liquidator of the abovenamed Company, make oath and say as follows:—

1. D. E. and F. G. were the auditors of the abovenamed bank from the..... .. day of... . .....until the. ..... .day of .....when the said bank was ordered to be wound up by and under the directions of this Honourable Court. The said two persons were appointed auditors from and after the . . ..at each annual general meeting by the shareholders of the Bank. The Articles of Association of the Bank relating to the audit of accounts and under which the said auditors were appointed are Articles..... to.....

2. One H. was appointed manager of the Bank on the..... . on the understanding that he was to be paid a monthly salary of Rs. ..... . , from the time that the Bank declared a dividend of .....and that until the Bank declared such dividend, the said H. was not to be paid any remuneration. The said H. has drawn from the Bank Rs. .. . for his salary from . . ..to . . ... inclusive

3. Hereto annexed and marked collectively "A" are prints of the balance sheets (including statements of the profit and loss account) issued by the Bank during the course of its existence, the original of each of which are signed both by the said D. E. and F. G.

4. On or about the . the directors of the Bank submitted to the shareholders the first balance sheet (including a statement of the profit and loss account) of the Bank as on the..... The said balance sheet and statement are false in many particulars.

5. In the said balance sheet and statement the amount of profit alleged to have been made from the commencement of the business up to the .. . . was shown as Rs .... As a matter of fact, the working of the Bank until then had resulted in a loss. To show this profit, certain false and fraudulent entries were made in the profit and loss account of the Bank Up to the . .. .the only amount earned by the Bank for discount commission, etc., was Rs..... ... ...while for the same period the establishment charges amounted to Rs . .and on the.. ....the loss made by the Bank was Rs .. . .. With a view that the said loss might not be shown certain false and fraudulent entries were made in the books of account of the company. The said sum of Rs. . . was debited to the adjusting account and credited to the profit and loss account. On the.....a sum of Rs..... ....was credited to the adjusting account and debited to the current deposits suspense account. On the same date in the current deposits suspense account Rs.....were debited to the profit and loss account and the balance of Rs..... was debited to G. & Co. The said G. & Co. were men of straw and nominees of the said H. and as they were debited with the said sum of Rs.....a promissory note was obtained from them for that amount and they purport to have repaid the loan of Rs.....on the.....This repayment was effected by raising the money from the.....Branch

of the Bank in the name of another nominee of the said H., one J. On the.....a sum of Rs.....was credited to the profit and loss account and falsely and fraudulently debited on the same date to K. & Co. This firm belonged to L., a brother of H., who was acting in collusion with H. in defrauding the Bank. A further sum of Rs.....was falsely and fraudulently debited to H.'s personal account No. 2 and credited to the profit and loss account. On the.....the following sums were falsely and fraudulently credited to the accounts hereunder mentioned which are comprised in the profit and loss account:—

Rs.....to the credit of the interest account.
Rs.....to the credit of the miscellaneous charges A|c.
Rs..... .....to the credit of the miscellaneous charges A|c.
Rs..... ..to the credit of travelling expenses.
Rs.....to the credit of travelling expenses.
Rs.. .....

Under the same date the following sums were further falsely and fraudulently credited to the profit and loss account:—

Rs ..... By Ahmedabad Account
Rs ..... By Baroda Account
Rs... ..... By Bhavnagar Account.
Rs ... . By Mandvi Account.
Rs..... . .

As a matter of fact, if the said false and fraudulent entries were eliminated from the account, the Bank up to the.....would be shown to have made a loss of Rs.. .. ..Hereto annexed and marked B is a copy of the company's profit and loss account up to .. .. as appearing in the company's books

6 The statements of assets contained in the said balance sheet is also false in as much as it was represented therein that all the debts due to the Bank were good. By the. . the bad or doubtful debts amounted to at least Rs . . .. and the loss made by the Bank after taking into account bad debts thus exceeded is Rs... .. ..

7. All the subsequent six-monthly balance sheets which have been certified as correct by the said auditors are false and misleading. In the balance sheet for. . .. ..the nett profit for the half-year ended.. . ...is shown as Rs..... . .... .To arrive at this amount two sums of Rs... .. ... and Rs.. ..... .were falsely and fraudulently credited to the profit and loss account. The former sum is alleged to have been paid by one M by way of discount. The said M. has been in insolvent circumstances for the past six years or so He had no money to pay the said sum and the amount was really paid by the Bank The sum of Rs ... .was without justification and with a view to increase the profits fictitiously credited to the profit and loss account and debited to the adjusting account. By the . ... the bad and doubtful debts amounted to at least Rs ....but in arriving at the profits no allowance was made for such bad and doubtful debts. On the proper taking of accounts the Bank had made a further loss of at least Rs... . .....in addition to the loss incurred up to.. .....

8. In the balance sheet for. ....the nett profit for the year was stated to be Rs.....This sum presumably included the said sum of Rs..... .....being the profit alleged to have been made for the half-year ending. ....Deducting the latter

sum from the alleged profit for the whole year, the amount supposed to have been earned by the Bank for the period from..... up to.....was Rs.....To arrive at this account a sum of Rs..... .....was falsely and fraudulently credited to the profit and loss account and debited to adjusting account under date.....No allowance was made for bad or doubtful debts, which according to the books of the Bank amounted to Rs..... by this date.

9. In the balance sheet for.....the net profit for the half-year ended..... .. .was shown at Rs.....To arrive at the said sum a sum of Rs. .....was falsely and fraudulently credited to discount account under date.....and a sum of Rs.....was falsely and fraudulently credited under date . .....as profit made by the Mandvi Branch although no such profit had been made. No allowance was made for bad or doubtful debts though the same according to the books of the Bank amounted to Rs.....

10. In the balance sheet for..... .., the net profit for the year ended.....was shown to be Rs.....This sum presumably included the said sum of Rs.....Deducting the latter sum from the alleged profit for the whole year the amount supposed to have been earned by the Bank for the six months ended .....was Rs..... .....To arrive at this amount a sum of Rs..... was falsely and fraudulently credited to commission account under date.....as having been received from G. & Co. In arriving at the alleged profits no allowance was made for bad or doubtful debts which amounted to a very large sum. The amount of the overdue bills on.....amounted to Rs.....

11. In the balance sheet for the half-year ended..... . the net profit shown as having been earned for that half-year was ....In arriving at this figure no allowance was made for any bad or doubtful debts which then amounted to Rs .....

12. The Bank incurred by far the larger portion of its losses by advancing to H. and certain of his near relations all of whom were persons without means In commenting upon the balance sheet as I have in this affidavit, I have assumed that the auditors were entitled to create such advances as good debts. Even treating such advances as good debts, however, the Bank made no profits during the whole period covered by the said balance sheets.

13. Each of the said balance sheets contained at the foot thereof a certificate as follows signed by the said auditors:—

> "We have examined the above balance sheet with the books and vouchers and verified the cash and securities, and we certify that it is correct and in our opinion exhibits the true postion of the Bank on (here is mentioned the date as of which balance sheet had been prepared) and it is drawn up in conformity with the law."

14. I say that each of the said auditors when he signed each of the said certificates was aware or if he had performed his duties with reasonable skill, care and caution, must have been aware that each of the said balance sheets was false in the respects I have mentioned. Accordingly I charge the said auditors and each of them either with deliberate misrepresentation or with negligence in giving the said certificates and each of them. I further say that as a direct consequence of the said auditors giving the said certificates the follow-

ing sums were distributed out of the capital of the Bank to its shareholders:—

Rs.....in payment of dividend to shareholders at.... from. .....to.....19 .

Rs.....in payment of an ad-interim dividend at the rate of.....per annum free of income-tax for the half-year ending.....19....

Rs.....in payment of a final dividend for the half-year ended.....19....at the rate of .. per annum free of income-tax.

Rs.....in payment of an ad-interim dividend at the rate of ....per annum free of income-tax for the half-year ending.....19....

Rs.....in payment of a final dividend for the half-year ended.....19....at the rate of ....per annum free of income-tax.

Rs.....in payment of an ad-interim dividend at the rate of....per annum free of income-tax for the half-year ended.....19 .

Total Rs..... .....

15. I further say that as a direct consequence of the said auditors giving the said certificates the following sums were paid out of the funds of the Bank which should never have been paid and would never have been paid but for such certificates, *viz.*:—

(a) A sum aggregating Rs. .....as mentioned in paragraph 2 hereof.

(b) The following sums paid as and by way of income-tax:—

Rs.... .....for the year ending.....19....

Rs.....for the year.....19....to.....19....

Rs.....for the year .....19....to..... ..19....

Rs.....for the year .....19....to.....19....

Under the circumstances I pray:—

(a) That it may be declared that the said auditors were guilty of misfeasances and breaches of trust in relation to the abovenamed company and have become jointly and severally liable by reason thereof to contribute to the assets of the abovenamed company the sum of Rs..... mentioned in paragraph 2 hereof, the sum of Rs..... mentioned in paragraph 14 hereof and the sum of Rs.....mentioned in paragraph 15 hereof.

(b) That the said auditor may be directed jointly and severally to pay to me as such liquidator as aforesaid the said three sums making together the sum of Rs..... together with interest thereon at the rate of six per cent. per annum from the dates the amounts were actually paid out by the company.

(c) That the said auditors be ordered to pay the costs of and incidental to the application.

Sworn at.....aforesaid

Sd.

this.....day of... ....19...

Before me,

Sd.....

Commissioner.

MISFEASANCE SUMMONS AGAINST AUDITORS,

JUDGES SUMMONS

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913.
and
In the matter of X. Banking Co., Ltd. (In Liquidation).

A. B. C. Official Liquidator of the abovenamed Company..... ....Applicant.

vs

D. E. of. ... .Hindu residing at.....
and F G. also of .....European residing at.....Respondents.

UPON reading the affidavit of Mr A B. C, the official liquidator of the abovenamed company dated the. . ..day of.....and upon hearing Messrs. .. . .his attorneys I DO ORDER that D. E. and F. G. the auditors of the abovenamed company do appear before me in Chambers on the. .. . day of ....either in person or by advocate or attorney and show cause if any (a) why it may not be declared that the said D E and F. G were guilty of misfeasances and breaches of trust in relation to the abovenamed company and have become jointly and severally liable by reason thereof to contribute to the assets of the abovenamed company the sum of Rs . . mentioned in paragraph 2 the sum of Rs . ...mentioned in paragraph 14 and the sum of R ... mentioned in paragraph 15 of the said affidavit, (b) why the said D E. and F. G. may not be directed jointly and severally to pay to Mr A. B. C as such liquidator as aforesaid the said three sums making together the sum of Rs. .... together with interest thereon at the rate of six per cent per annum from the dates the amounts were actually paid out by the company and (c) why the said D E. and F. G. may not be ordered to pay the costs of and incidental to this application or why such further or other order may not be made in the premises as to the court may seem fit.

Dated this .. . day of. ... .

Sd.....

Attorneys for the official liquidator of the abovenamed company.

Sd... .....

DECREE.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

Coram Z.

In the matter of the Indian Companies Act, VII of 1913
and
In the matter of the X. Banking Company, Limited (In Liquidation).

GEORGE V, by the Grace of God of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, Defender of the Faith, Emperor of India.

A. B. C. Official Liquidator of the abovenamed Company.....Applicant.

Versus

(1) D. E. of.....residing at.....and

(2) F. G. also of.....residing at.....Respondents.

Whereas by the Judge's Summons herein dated the..... day of.....it was *inter alia* ordered that the abovenamed Respondents D. E. and F. G. should appear before the Honourable the Sitting Judge in Chambers to show cause if any they had why it might not be declared that the said respondents D. E. and F. G. were guilty of misfeasances and breaches of trust in relation to the abovenamed company and had jointly and severally become liable by reason thereof to contribute to the assets of the abovenamed company the three sums mentioned in the affidavit of A. B. C. the official liquidator of the said company sworn on the... . day of... . .. making together the sum of Rupees..... ...and why the said respondents D. E. and F. G should now be directed to pay jointly and severally the said sum of Rupees.. . .. .with interest thereon and the said Judge's Summons having been adjourned into the court for hearing and the matter having been called on for hearing and final disposal on the ..day of instant and on this day the applicant and the second respondent F G appearing respectively by advocates and the first respondent D. E. appearing in person and upon framing issues hearing evidence and perusing exhibits and at this stage the parties appearing hereto agreeing to a compromise and this Court having satisfied that such compromise is for the benefit of the shareholders of the said company doth sanction the same and doth order and decree that the said first respondent D E. do pay to the official liquidator of the said company the sum of Rupees . . . . .. on the.. .. day of .. .. .next and a further sum of Rupees . ..... on the. ..... day of .. .. . next and this court doth further order that the said second respondent F. G. do pay to the said official liquidator the sum of Rupees . . on the . .... day of.... .. next and a further sum of Rupees . . .. to be paid by him by monthly instalments of Rupees..... ... . . each commencing from the .. ..day of .... next and this court doth lastly order that the costs of the said official liquidator of this summons when taxed as between attorney and client and noted in the margin hereof do come out of the assets of the said company the X Banking Company, Limited, WITNESS.. . . Chief Justice at.....aforesaid this.... ... . day of. ....

By the Court,
Sd.
Prothonotary.

Seal of the High
Court of.....

Sd..... .....
The.....day of..... .....

Decree drawn on Application of
Messrs.....Co Attorneys for
the Applicant.

PETITION FOR SANCTIONING THE SCHEME OF ARRANGEMENT.

IN THE HIGH COURT OF JUDICATURE AT.....

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the matter of the Indian Companies Act, VII of 1913

and

In the matter of the Indian Companies

The X Company, Limited, a Joint Stock Company Incorporated and registered under the Indian Companies Act, of 1913 and having its registered office at.....Petitioners.

To

The Hon'ble the Chief Justice and other the Judges of the High Court of Judicature at..... .....

SHEWETH as follows.—

1. The company was incorporated on the.. .. day of. ..... under the provisions of the Indian Companies Act, 1913, as a company, limited by shares

2. The registered office of the company is situated at.....

3. The objects for which the company was established as set out in its Memorandum of Association are as follows —

(a) To carry on in India and elsewhere the trades or business of ironmasters, steel makers, steel converters, manufacturers of ferro-manganese, colliery proprietors, coke manufacturers, miners, smelters, engineers, tin plate makers and ironfounders, in all their respective branches.

(b) To search for, get work, raise, make merchantable sell and deal in iron, coal, ironstone, limestone, manganese, ferro-manganese, magnesite, clay, fire-clay, brick earth, bricks and other materials, minerals and substances, and to manufacture and sell briquettes and other fuel and generally to undertake and carry on any business, transaction or operation commonly undertaken or carried on by explorers, prospectors or concessionaries, and to search for, win, work, get, calcine, reduce, amalgamate, dress, refine and prepare for the market any quarts and ore and mineral substances and to buy, sell, manufacture and deal in minerals and mineral products, plant and machinery, and other things capable of being used in connection with mining or metallurgical operations or required by the workmen and others employed by the company.

(c) To carry on the business of a waterworks company in all its branches, and to sink wells and shafts, and to make, build and construct, lay down and maintain reservoirs, waterworks, cisterns, culverts, filterbeds, mains and other pipes and appliances, and to execute and do all other works and things necessary or convenient for obtaining, storing, selling, delivering, measuring, disturbing, and dealing in water.

And other objects set forth in the Company's Memorandum of Association a copy of which is annexed as Ex. A to the affidavit herein of.....dated the. .. ...day of..... .....

4. Shortly after its incorporation the company commenced business and has since carried on its business.

5. The original capital of the company was Rs.....divided into.....ordinary shares of Rs.....each,....preference shares of Rs.....each and.....deferred shares of Rs.....each. By the Memorandum of Association of the Company it was provided that the company might increase its capital by the creation of new shares in accordance with the legislative provisions for the time being in force in that behalf. Accordingly by a special resolution passed and confirmed on the.....day of.....and the..... day of.....respectively the capital was increased to Rs..... divided into.....ordinary shares of Rs.....each,.....preference shares of Rs.....each and.....deferred shares of Rs..... each. The company has since further increased its capital to Rs..... by creating.....new shares of the nominal value of Rs..... each called second preference shares.

6. By resolution creating and defining the rights of the said second preference shares and passed and confirmed on the.....and .....days of..... .respectively it was provided that the said second preference shares should rank for dividend and otherwise next after the existing preference shares of the company and confer on the holders thereof the right to a fixed cumulative preference dividend at the rate of 7½% per annum on the capital for the time being paid up on such shares and subject only to the rights of the holders of the existing preference shares of the company to rank in a winding up both as regards capital and dividends upto the commencement of the winding up, whether declared or not, in priority to the ordinary and deferred shares of the company but not conferring any further right to participate in profits or surplus assets.

7. Article.....of the Articles of Association as amended by the said resolution passed and confirmed on the.....and.....days of .....provides for the division of the profits of the company among the different classes of shareholders and is as follows:—

> "Subject as aforesaid, the profits of the company which it shall from time to time be determined to divide in respect of any year or other period shall be applied first in paying the fixed cumulative preferential dividend at the rate of six per cent. per annum calculated from the.....on the capital paid up on the preference shares to the close of such year or other period, next in paying the fixed cumulative preferential dividend at the rate of seven and a half per cent. per annum on the capital paid up on the second preference shares to the close of such year or other period next in paying to the holders of ordinary shares a non-cumulative dividend at the rate of 8 per cent. per annum on the amount for the time being paid up or credited as paid up thereon respectively, to the close of such year or other period and thirdly, in paying to the holders of deferred shares a non-cumulative dividend at the rate of 25 per cent per annum on the amount paid up thereon to the close of such year or other period and the surplus shall be divided as follows:—as to fifty per cent. thereof by way of additional dividend on ordinary shares and as to 50 per cent. thereof by way of additional dividend on deferred shares."

8. Out of the ordinary shares aggregating in all to.....shares of the nominal value of Rs.....each,.....shares have been issued out of which.....shares have been fully paid and..... shares have been forfeited.

9. The whole of the original preference shares have been issued and are fully paid up.

10. The whole of the.....second preference shares of the nominal value of Rs.....each have been issued out of which..... second preference shares have been fully paid up and.....shares have been forfeited.

11. Out of the deferred shares aggregating in all to.....shares of the nominal value of Rs.....each.....shares were issued and subscribed for out of which.....shares have been fully paid up and.....shares have been forfeited.

12. Dividend has been paid on the first preference shares from the.....up to the.....in the manner provided by Article .....of the Articles of Association and the arrears of dividend from the said date and current dividend up to.....have been declared by the company in general meeting held on the..... and will be paid off during the current year.

13. No dividend has been paid on the second preference shares from the.....day of.....and the arrears of such dividend payable pursuant to the said special resolution and under the said Article up to.....amount to Rs.....per share.

14. In.....the Government of India introduced the Steel Protection Bill for helping the Steel Industry in India by protection in the form of bounties or otherwise which was subsequently passed as Act No.....of 19.....under the title of "Steel Industry (Protection) Act." In accordance with the recommendation of the Tariff Board appointed by the Government of India to enquire *inter alia* into the condition of the steel industry in India the member of Commerce, Sir.....introduced a resolution in the Legislative Assembly on the.....for the grant of a bounty on steel to the company for the year.....In introducing such resolution he remarked:—

> "When I introduced the Steel Protection Bill in.....I made an appeal to the industry to co-operate with the Government and the Legislature. When I proposed bounties in January last, I made that same appeal, and Sir, I feel that I ought to make that appeal again. I think the Chairman of the Board of Directors will bear me out when I say that hitherto there has been no response to that appeal and that is a feature in the position which worries me most. The house has to remember that owing to the way in which the capital of this company is arranged about two-thirds of the share capital takes the form of second preference shares the interest on which is cumulative. For the past three years, I think I am correct in saying that arrears of that interest amounting to about Rs.....lakhs a year have been accumulated There is a load of debt amounting to Rs.....crores on that score alone round the neck of the company, and I feel, Sir, that we in this house ought to send a message to-day to the X. company that we expect them to take this matter in hand and that we except them to co-operate with us in putting their industry upon a sound and healthy basis."

One the same occasion the finance member of the Government of India. Sir.....remarked as follows:—

> "But I do think that it is right that the Government and this house should make it clear to the X. Company that their policy is to enable the company to earn a reasonable return on the capital which is really engaged in turning out steel and it is not the policy of the Government or of this house to put a company in a position out of bounties, voted at the expense of the tax-payer, to pay the arrears of dividends on second preference shares."

15. The present progress of the company and its continuance depends largely on the protection granted by the Government of India to the company in the past and that may be granted in future because out of the net profits of the company for the year ending..... amounting to Rs.....a sum of Rs.....has been obtained by the company in the shape of bounty from the Government.

16. In response to the message conveyed to the company by the Government of India through the speeches of the members of Commerce and Finance referred to in paragraph 14 above and to meet the requirements of the Government the directors devised a scheme of arrangement between the company on the one hand and the holders of the second preference shares, the holders of the ordinary shares and the holders of the deferred shares on the other hand for paying off the accumulated arrears of dividend on the second preference shares. A copy of the scheme is set out in the schedule hereto annexed and marked A.

17. The necessary agreements between the company on the one and the three classes of the shareholders affected on the other hand embodying the terms of such Scheme of Arrangement have been executed by one shareholder of each of said three classes purporting to contract on behalf of that class respectively and by the company. Hereto annexed and marked B are true copies of the said arrangements.

18. By an order made in the above matter on the.....day of.....it was ordered that your petitioner should convene separate meetings of the holders of the second preference shares, ordinary shares and deferred shares of the company for the purpose of considering and if thought fit approving with or without modification, the said Scheme of Arrangement and after giving directions as to the convening of such meetings the said order directed that Sir. M. and failing him N. the chairman and director respectively of the company should act as chairman of the said meetings and report the result of the said Meeting to the Court.

19. By a subsequent order made on the.....day of..... on the application of Mr. R. and G. two of the holders of second preference shares in the company it was ordered that the chairman appointed by the said order of the.....day of.....should adjourn the meeting of the holders of the second preference shares from.....to.....

20. Pursuant to and in the manner directed by the said order of the.....day of.....separate meetings of the holders of the second preference shares, ordinary shares and deferred shares respectively were duly convened on the.....day of.....and such meetings were held at the registered office of the Company at

.....and the said Sir M.....took the chair at such meetings.

21. Pursuant to the said order of the.....the said Sir M. adjourned the meeting of the second preference shareholders and informed the shareholders peresent that the meeting was adjourned to the.....

22. The meeting of the holders of the ordinary share was attended either in person or by proxy by.....holders of ordinary shares whose shares amounted in the aggregate to.....shares out of the total issue of.....shares of Rs.....each. The said Scheme of Arrangement was read and explained to the meeting and.....shareholders representing.....shares of Rs.....each voted in favour of the said scheme being approved without modification and.....holders holding.....shares of Rs.....each voted against the scheme and.....shareholders representing.....shares of Rs.....each were present at the meeting and did not vote.

23. The meeting of the holders of the deferred shares was attended either in person or by proxy by.....holders of deferred shares whose shares amounted in the aggregate to..... shares out of a total issue of.....shares of Rs.....each. The said scheme of arrangement was also read and explained to the meeting and.....shareholders representing.....shares voted in favour of the said scheme being approved without modification and .....shareholders holding.....shares voted against the said scheme and.....shareholders representing.....shares were present at the meeting and did not vote.

24. By an order made on the.....day of.....IT WAS ORDERED that the chairman should put to the adjourned meeting of the second preference shareholders to be held on that day the proposition for sanctioning the scheme as also all amendments which may be proposed by the shareholders at the meeting and that the votes on the original proposition as also on the several amendments should be recorded simultaneously.

25. Pursuant to and in the manner directed by the said order dated the.....day of.....the adjourned meeting of the holders of the second preference shares was duly convened on the .....day of.....and such meeting was held at the registered office of the company at.....when Sir M. took the chair.

26. At the said adjourned meeting of the holders of the second preference shares the Scheme of Arrangement was read and explained and the question submitted to the meeting was whether the said scheme should be approved with or without modification. A proposition was then moved that the scheme be approved and agreed to without modification to which proposition five amendments were moved. Copy of the said five amendments are hereto annexed and marked C.

27. Pursuant to the direction given by the said order made on the.....day of.....the votes for or against the scheme and the aforesaid amendments respectively were recorded simultaneously in the manner mentioned in the chairman's report dated.....

28. As regards the original proposition the aforesaid meetings of the holders of the second preference shares was attended either in person or by proxy by.....holders of second preference shares whose shares amounted in the aggregate to.....out of a total

issue of.....second preference shares of Rs.....each..... shareholders representing.....shares voted in favour of the said scheme being approved without modification and.....shareholders representing.....shares did not vote.

29. As regards amendment No. 1 the said meeting of the second preference shareholders was attended either in person or by proxy by.....holders of second preference shares whose shares amounted in the aggregate to.....and....shareholders representing..... shares voted in favour of the said amendment and.....shareholders representing.....shares voted against the said amendment and.... shareholders holding..... shares did not vote.

30. As regards amendment No. 2 the said meeting of the holders of the second preference shares was attended either in person or by proxy by.....shareholders representing.....shares and..... shareholders representing.....shares voted in favour of the said amendment and.....shareholders representing.....shares voted against the scheme and.....shareholders representing..... shares did not vote.

31. As regards the amendment No. 3 the said meeting of the holders of the second preference shares was attended either in person or by proxy by.....shareholders whose shares amounted in aggregate to.....and.....shareholders holding.....shares voted in favour of the said amendment and .....shareholders representing .....shares voted against the scheme and.....shareholders representing.....shares did not vote.

32. As regards amendment No. 4 the said meeting of the holders of the second preference shares was attended either in person or by proxy by.....shareholders whose shares amounted in the aggregate to.....and... ....shareholders representing.....shares voted in favour of the said amendment and.....shareholders representing .....shares voted against the scheme and.....shareholders representing.....shares did not vote.

33. As regards the amendment No. 5 the said meeting of the second preference shareholders was attended either in person or by proxy by.....shareholders whose shares amounted in the aggregate to.....and.....shareholders representing.....shares voted in favour of the said amendment and..... .....shareholders representing.....shares voted against the scheme and.....shareholders representing..... .shares did not vote.

34. Each of the said meetings of the 3 classes of shareholders was of opinion therefore that the said scheme should be approved without modification and it was so approved.

35. Your petitioner submits that it is for the benefit of the company that the said Scheme of Arrangement should be sanctioned by this Hon'ble Court. The scheme effectively meets with the objection of Government referred to in the speeches of the members of Commerce and Finance of the Government of India as mentioned in paragraph 14 of this petition in as much as out of the arrears of cumulative preference dividends on the second preference shares amounting to Rs.....the company proposes to pay a sum of about Rs.....on the sanction of the scheme by this Honourable Court and payment of the balance of the arrears have been provided for under the terms of the Scheme of Arrangement whereby in consideration of the second preference shareholders agreeing to cancel such arrears they are given the rights mentioned in the scheme in the

future profits of the company including interest at 4% per annum. The scheme therefore removes the load of debt amounting to over..... crores arising out of the accumulated dividends on the second preference shares on the company as referred to by the member of Commerce in his speech referred to above. By removing this liability the company may properly claim to receive the protection voted in their favour and on such protection the continuance of the company and its prosperity largely depends. By virtue of the scheme the company will also be in a position to put their industry upon a sound and healthy basis as required by Government.

36. Your petitioner therefore humbly prays as follows:—

(a) That this Hon'ble Court may sanction the Scheme of Arrangement set out in the first schedule hereto and may declare the same binding on all the holders of the second preference shares, ordinary shares and deferred shares of the company or

(b) that such order may be made in the premises as to this Hon'ble Court shall seem fit.

And your petitioner will ever pray.

Attorneys for the petitioner. Sd. .....

I, of.....Inhabitant residing at.....some of the directors of Messrs. X. Company, Limited, the agents of the above company do solemnly declare that what is stated in the above petition is true to my own knowledge.

Solemnly declared at.....
aforesaid this.....day of
.....19.....

Sd. .....

Before me,
Sd.
Commissioner.

THE X COMPANY, LIMITED.

SCHEME OF ARRANGEMENT FOR PAYMENT OF ARREARS OF DIVIDEND ON SECOND PREFERENCE SHARES.

1. The company shall, after this scheme of arrangement has been sanctioned as hereinafter provided, pay to the holders of second preference shares whose names are on the register of the company at the date of the abovementioned sanction a sum of Rs.....per shares on account of the arrears of dividend payable up to....., on the second preference shares. The balance of the said arrears, *viz.*, Rs.....per share together with simple interest at the rate of 4% per annum from.....on the said amount of balance thereof from time to time shall be paid out of the 50% of the surplus profits remaining in each year after paying the fixed cumulative preferential dividend at the rate of 6% per annum on the first preference shares and also after paying the fixed cumulative preferential dividend at the rate of 7½% per annum calculated from the.....on the second preference shares until the whole of such arrears are paid off, the remaining 50% of such surplus profits being distributed among the holders of the ordinary and deferred shares according to their rights under the Memorandum and Articles of Association of the company.

2. This scheme of arrangement is conditional on the same being

accepted by the holders of the second preference shares, the ordinary shares and the deferred shares respectively and on the same being sanctioned by the court as a scheme of arrangement under section 153 of the Indian Companies Act, 1913 and Article.....of the Articles of Association of the company being amended as provided in clause 3 hereof, the said amended article continuing in force until the said arrears have been paid off as hereinbefore provided and if it is not so sanctioned before the.....day of.....it shall become void.

3. In the case of this scheme of arrangement being sanctioned by the court as aforesaid, the company shall take the necessary steps for altering and amending article.....of the Articles of Association, which article, as amended, shall stand as follows:—

"Subject as aforesaid the profits of the company which it shall from time to time be determined to divide, in respect of any year or other period, shall be applied first in paying the fixed cumulative preferential dividend at the rate of six per cent. per annum calculated from the.....day of .....on the capital paid up on the preference shares to the close of such year or other period, next in paying the fixed cumulative preferential dividend at the rate of seven and a half per cent. per annum calculated from the .....on the capital paid up on the second preference shares to the close of such year or other period, next in paying to the holders of the second preference shares fifty per cent. of the balance remaining after the payment of the aforesaid until the sum of Rs.....per share which was in arrears by way of a cumulative dividend on the second preference shares on the.....together with simple interest at four per cent. per annum on the said amount or balance thereof from time to time, shall be paid off (the said second preference shareholders having waived and abandoned all rights to be paid the said arrears as originally provided), next in paying to the holders of ordinary shares a non-cumulative dividend at the rate of 8 per cent. per annum on the amount for the time being paid up or credited as paid up thereon respectively to the close of such year or other period, and lastly in paying to the holders of deferred shares a non-cumulative dividend at the rate of 25 per cent. per annum on the amount paid up thereon, to the close of such year or other period, and the surplus shall be divided as follows:—as to fifty per cent. thereof by way of additional dividend on ordinary shares and as to fifty per cent. thereof by way of additional dividend on deferred shares."

AN AGREEMENT made on the.....day of.....BETWEEN P. M. D. of.....Inhabitant on behalf of the holders of the second preference shares in the X. Company, Limited of the one part and THE X. COMPANY, LIMITED, a Joint Stock Company Registered under the Indian Companies Act having its registered office at..... .....(hereinafter called "the company") of the other part.

Whereas prior to the issue of second preference shares hereinafter mentioned the company had issued preferred, ordinary and deferred shares.

And whereas by a special resolution of the company passed and

confirmed on the.....and.....days of.....respectively the capital of the company was increased to Rs.....by the creation of.....new shares of Rs.....each to be called "second preference shares" to rank for dividend and otherwise next after existing preference shares of the company to confer on the holders thereof the right to a fixed cumulative preferential dividend at the rate of seven and a half per cent. per annum on the capital for the time being paid up on such shares and subject only to the right of the holders of the existing preference shares of the company, to rank in a winding up both as regards capital and dividends up to the commencement of the winding up, whether declared or not in priority to the ordinary and deferred shares of the company but not to confer any further right to participate in profits or surplus assets.

And whereas no dividend has been paid on the said second preference shares from the.....

And whereas the arrears of such dividends payable pursuant to the said resolution up to.....day of.....amount to Rs..... per shares.

And whereas it is desired to make the following arrangement for paying off such arrears.

Now therefore it is agreed as follows:—

1. The company shall after this agreement has been sanctioned as hereinafter provided pay to the holders of second preference shares whose names are on the register of the company at the date of the abovementioned sanction, a sum of Rs.....per share. The balance of the said arrears, *viz.*, Rs..... ...per shares together with simple interest at the rate of 4 per cent. per annum from.....on the said amount or balance thereof shall from time to time be paid out of the 50 per cent. of the surplus profits remaining in each year after paying the fixed cumulative preferential dividend at the rate of 6 per cent. per annum on the first preference shares and also after paying the fixed cumulative preferential dividend at the rate of 7½ per cent. per annum calculated from the.....on the second preference shares until the whole of such arrears are paid off the remaining 50 per cent. of such surplus profits being distributed among the holders of ordinary and deferred shares according to their rights under the Memorandum and Articles of Association of the Company.

2. This agreement is conditional on the same being accepted by the ordinary and deferred shareholders and sanctioned by the court as an arrangement under section 153 of the Indian Companies Act, 1913 and Article.....being amended as provided in clause 3 hereof the said amended article continuing in force until the said arrears have been paid off as hereinbefore provided and if it is not so sanctioned before the.....day of.....it shall become void.

3. In the case of this agreement being sanctioned by the court as aforesaid, the company shall take the necessary steps for altering and amending the Article. ....of the Articles of Association of the Company which article, as amended, shall stand as follows:—

Subject as aforesaid the profits of the company which shall from time to time be determined to divide in respect of any year or other period shall be applied first in paying the fixed cumulative preferential dividend at the rate of six per cent. per annum calculated from the.....day of.....on the capital paid up on the preference shares to the close of such year or other period, next in paying the fixed cumulative preferential dividend at the rate of seven and

a half per cent. per annum calculated from the.....day of..... on the capital paid up on the second preference shares to the close of such year or other period, next in paying to the holders of the second preference shares fifty per cent. of the balance remaining after the payment of the aforesaid until the sum of Rs.....per shares which was in arrears by way of cumulative dividend on the second preference shares on the.....day of.....together with simple interest at four per cent. per annum on the said amount or the balance thereof from time to time shall be paid off (the said second preference shareholders having waived and abandoned all rights to be paid the said arrears as originally provided) next in paying to the holders of ordinary shares a non-cumulative dividend at the rate of 8 per cent. per annum on the amount for the time being paid up or credited as paid up thereon respectively to the close of such year or other period and the surplus shall be divided as follows:— as to fifty per cent. thereof by way of additional dividend on ordinary shares and as to fifty per cent. thereof by way of additional dividend on deferred shares.

SIGNED SEALED AND DELIVERED BY the abovenamed P. M. D. in the presence of.....

Sd.

The common seal of the X. Co., Ltd. was hereunto affixed pursuant to a resolution of the directors of the company passed at a meeting of the Board held on the.....day of .....in the presence of .....

The Common Seal of the X. Co., Ltd.

A.
B.
Directors.
M. Ltd.
J.
Director.
} Agents.

Witness:—

1. That the Scheme of Arrangement submitted to this meeting a copy of which was circulated to the shareholders be and the same is hereby approved and agreed to as modified as follows:—

"The company, shall after this Scheme of Arrangement has been sanctioned as hereinafter provided pay to the holders of second preference shares whose names are on the register of the company at the date of the abovementioned sanction a sum of Rs.....per share on account of the arrears of dividend payable up to....., on the second preference shares. The balance of the said arreare *viz.*, Rs.....per share shall be paid out of the surplus profits remaining in each year after paying the fixed cumulative preferential dividend at the rate of 6 per cent. per annum on the first preference shares and also after paying the fixed cumulative preferential dividend at the rate of 7½ per cent. per annum calculated from the..... on the second preference shares until the whole of such arrears are paid off.

"This Scheme of Arrangement is conditional on the same being accepted by the holders of the second preference shares and on the same being sanctioned by the court as a scheme of arrangement under section 153 of the Indian Companies Act, 1913 and Article.....of the Articles of Association of the company being amended as provided in clause 3 hereof the said amended article continuing in force until the said arrears have been paid off as herebefore provided and if it is not so sanctioned before the..... day of.....it shall become void.

In the case of this scheme of arrangement being sanctioned by the court as aforesaid, the company shall take the necessary steps for altering and amending Article.....of the Articles of Association, which article, as amended, shall stand as follows:

"Subject as aforesaid the profits of the company which shall from time to time be determined to divide, in respect of any year or other period, shall be applied first in paying the fixed cumulative preferential dividend at the rate of six per cent. per annum calculated from the.....day of.....on the capital paid up on the preference shares to the close of such year or other period, next in paying the fixed cumulative preferential dividend at the rate of seven and a half per cent. per annum calculated from the.....on the capital paid up on the scond preference shares to the close of such year or other period, next in paying to the holders of the second preference shares the balance remaining after the payment of the aforesaid until the sum of Rs.....per share which was in arrears by way of a cumulative dividend on the second preference shares on the.....shall be paid off (the said second preference shareholders having waived and abandoned all rights to be paid the said arrears as originally provided), next in paying to the holders of ordinary shares a non-cumulative dividend at the rate of 8 per cent. per annum on the amount for the time being paid up or credited as paid up thereon respectively to the close of such year or other period, and lastly in paying to the holders of deferred shares a non-cumulative dividend at the rate of 25 per cent. per annum on the amount paid up thereon, to the close of such year or other period and the surplus shall be divided as follows:—As to fifty per cent. thereof by way of additional dividend on ordinary shares and as to fifty per cent. thereof by way of additional dividend on deferred shares"

2. The preferential claim of the 2nd preference shareholders for the arrears of dividend payable upto..... .....in case of winding up should be retained.

The rate of interest on the arrears should be 6 per cent. instead of 4 per cent.

The interest payable on the arrears should be free of income-tax.

Next after the cumulative dividends from.....have been paid, the profits should be utilized in paying the interest on the arrears.

That 50 per cent. of the balance remaining after the payment of the cumulative dividends on preference shares and interest on

arrears from.....should be paid to the holders of second preference shares and 50 per cent. should go to the Reserve Fund until the sum of Rs.....per share being the amount of arrears shall be paid off.

3. "That the surplus profits be distributed in the ratio 7|10 to second preference and 3|10 to the ordinary and deferred according to their rights."

4. "That the rate of interest on the arrears be reduced to two per cent. and that the surplus profits be distributed in the ratio 7|10 to second preference and 3|10 to the ordinary and deferred according to their rights."

5. "That the scheme be referred back to the Board of Directors with a request that they should bring it before the shareholders with the following modifications: that after paying 7½ per cent. interest to the second preference shareholders, the remaining balance should be utilizes as follows:—

50 per cent. in paying arrears of accumulated interest to the second preference shareholders with 4 per cent. interest, and

50 per cent. towards making up a dividend of 5 per cent. on the ordinary and 5 per cent. on the deferred shares and any surplus remaining of this 50 per cent. after paying the 5 per cent. dividend on the ordinary and deferred shares be paid to the second preference shareholder towards the payment of arrears of accumulated unpaid interest to the second preference shareholders."

ORDER SANCTIONING THE SCHEME OF AGREEMENT.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY.

ORDINARY ORIGINAL CIVIL JURISDICTION.

Coram: Z. J.

GEORGE V, by the Grace of God of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, Defender of the Faith, Emperor of India.

In the matter of the Indian Companies Act, VII of 1913

and

In the matter of the X. Company, Ltd.

The X. Company, Limited, a Joint Stock Company incorporated and registered under the Indian Companies Act, VII of 1913 and having its registered office at.....Petitioners.

UPON the petition of the abovenamed petitioners X. Company, Limited, whose registered office is situated at.....on the .....day of.....preferred unto this Hon'ble Court be and the petition having been called on for hearing on the.....day of .....and.....days of.....And upon hearing the advocate for the petitioners and upon hearing the advocates for F. J. G. and E. F. G. and others and B. M. and M. P. second preference shareholders who support the said petition and upon hearing advocates for R. K. M., M. K. and R. D. S. second preference shareholders who oppose the said petition and upon hearing P D. S. a second preference shareholder who appears in person and also opposes the said petition and upon reading the

said petition and the orders mentioned in list "A" hereto and the newspapers mentioned in list "B" hereto and the affidavits mentioned in list "C" hereto and the annextures thereto and the two reports both dated the.....day of.....THIS COURT took time to consider its judgment AND THIS matter being this day called on for Judgment THIS COURT DOTH SANCTION the scheme of arrangement as set forth in exhibit A to the said petition dated the..... and in schedule D hereto AND THIS COURT DOTH DECLARE the same to be binding on the holders of the second preference shares, ordinary shares and the deferred shares of the company and on the said company AND THIS COURT DOTH ORDER that the abovenamed X. Company, Limited, do file a certified copy of this order with the Registrar of Companie,.....and upon the opposing shareholders R. K. M., M. K. and R. D. S. through their advocates and the said P. D. S. in person agreeing not to appeal THIS COURT DOTH FURTHER ORDER that the costs of the said R. K. M. including the costs of correspondence and inspection as also the costs reserved when taxed and noted in the margin hereof the fees of the advocate for the said M. K. and R. D. S. and the court fees and the typing and copying charges of the affidavit filed herein by P. D. S. be paid out of the assets of the said company AND THIS COURT DOTH LASTLY ORDER that the costs of F. J. G. and E. F. G. and others and of B. M. and M. P. when taxed and noted in the margin hereof be also paid out of the assets of the said company WITNESS.....Chief Justice at .....aforesaid this..... .....

By the Court,
Sd.
Ag. Prothonotary.

SEAL OF THE HIGH COURT
OF.....
Sd.....
The.....day of.....
Order drawn on application of Messrs.
.....Attorneys for the Petitioners.

APPENDIX C

SECTION I

Indian Companies Act, 1913.

STATEMENT OF REPEALS AND AMENDMENTS

Section 11 amended, Act XLVII of 1920.
Section 26 amended, Act XXXIII of 1926.
Sections 83A and 83B inserted, Act XI of 1914.
Sections 91A to 91D inserted, Act XI of 1914.
Section 91B amended, Act XLII of 1920.
Section 246 amended, Act XI of 1915.
Schedule I amended, Act X of 1914.
Section 144 amended, Act XIX of 1930.
Act XIX of 1930 amended, Act I of 1932.

[*As modified up to 1st December, 1928.*]

THE INDIAN COMPANIES ACT, 1913.

ACT No. VII OF 1913.[1]

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.

Short title, commencement and extent.

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 Pargans.

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[2] Table B in the Schedule annexed to Act No. XIX of 1857 or in[3] Table A in the First Schedule annexed to the Indian Companies Act, 1882, or in Table A in the First Schedule annexed this Act:

VI of 1882.

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

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1 For Statement of Objects and Reasons, *see* Gazette of India, 1912, Pt. V, p. 151; for Report of the Select Committee, *see ibid*, 1913, Pt. V, p. 45; and for Proceedings in Council, *see ibid*, 1912, Pt. VI, p. 586, and *ibid*, 1913, Pt. VI, pp. 6, 106, and 300.

2 *See* Appendix I, p. 168, *infra*.

3 *See* Appendix II, p. 181, *infra*.

(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:

(Part I.—Preliminary.)

(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 and Act or Acts repealed thereby, or under the Indian Companies Act, 1882:

X of 1866.

VI of 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 merandum 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

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1 Repealed by the Indian Companies Act, 1882 (6 of 1882), which was in turn repealed by this Act.

(Part I.—Preliminary: Part II.—Constitution and Incorporation.)

(*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 the 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: 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.

Jurisdiction of the Courts.

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.

Prohibition of partnership

4. (*1*) No company, association or partnership consisting of more than ten persons shall be formed

exceeding certain number.

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.

Memorandum of Association.

Mode of forming incorporated company.

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

(*iii*) the objects of the company;

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

(Part II.—Constitution and Incorporation.)

(*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.

Memorandum of company limited by guarantee.

7. 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.

Memorandum of unlimited company.

8. 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.

Signature of

9. The memorandum shall be signed by each

memorandum.

subscriber in the presence of at least one witness who shall attest the signature.

Restriction on alteration of memorandum.

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.

Name of company and change of name.

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*) 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," [1]["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 appy 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 signifies 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

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[1]These words were inserted by s. 33 of the Imperial Bank of India Act, 1920 (47 of 1920).

former name may be continued or commenced against it by its new name.

Alteration of memorandum.

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 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.

Power of Court when confirming alteration.

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

Exercise of discretion by Court.

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 expedient 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.

Procedure on confirmation of the alteration.

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 requrements 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.

Effect of failure to register within three months.

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.

Registration of articles.

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.

(Part II.—Constitution and Incorporation.)

(*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.

Application of Table A.

18. In the case of a company limited by shares and registered after the commencement of this Act, if articles are not registered, or, 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 of association in the presence of at least one witness who must attest the signature.

Alteration of articles by special resolution.

20. (*1*) Subject to the provisions of this Act and to the conditions contained 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 No. XIX of 1857 and 1Act No. VII of 1860 or either of them, extend to altering any provisions in Table B2 annexed to Act XIX of 1857, and shall also, in the case of an unlimited company formed and registered under the said Acts

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1 This Act was repealed by the Indian Companies Act, 1866 (10 of 1866), which again was repealed by the Indian Companies Act, 1882 (6 of 1882), which was also repealed by this Act.

2 For Table B of Act 19 of 1857, *see* Appendix I to this Act, p. 168, *infra.*

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.

General Provisions.

Effect of memorandum and articles.

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.

Registration of memorandum and articles.

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.

Effect of registration.

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.

Conclusiveness of certificate of incorporation.

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.

Copies of memorandum and articles to be given to members.

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.

Associations not for Profit.

Power to dispense with "Limited" in name of charitable and other companies.

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, 1 [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 2 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

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1 This word was inserted by s. 2 of the Indian Companies (Amendment) Act, 1926 (33 of 1926).

2 For such associations in Madras, *see* Madras Local Rules and Orders, 1923, Vol. I, p. 440.

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.

Provision as to companies limited by guarantee.

27. (*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.

Nature of shares.

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.

Certificate of shares or stock.

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 or stock therein specified.

Definition of "member."

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.

(Part III.—Share Capital, Registration of Unlimited Company as Limited, and Unlimited Liability of Directors.)

(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.

Register of members.

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.

Annual list of members and summary.

32. (1) Every company having a share capital shall 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 transefrred 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 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 respectively since the date of the last return;

(*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.

Trusts not to be entered on register.

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

(Part III.—Share Capital, Registration of Unlimited Company as Limited, and Unlimited Liability of Directors.)

Registration of transfer at request of transferor.

34. On the application of the transferor 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.

Transfer by legal representative.

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.

Inspection of register of members.

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 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 compy 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 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.

Power to close register.

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.

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 paymentment 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 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 rectifiaction 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.

V of 1908.

Notice to registrar of rectification of register.

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.

Register to be evidence.

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

Power for company to keep branch register in the United Kingdom.

41. (*1*) A company having a share capital may, if so 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.

(Part III.—Share Capital, Registration of Unlimited Company as Limited, and Unlimited Liability of Directors.)

Regulations as to British register.

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 principel 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.

Issue of share-warrants to bearer.

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, in this Act termed a share-warrant.

Effect of share-warrant.

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.

Registration of name of bearer of share-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.

Position of bearer of share-warrant.

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 within 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 for being a director or manager of the company, in cases where such a qualification is required by the articles.

Entries in register when share-warrant issued.

47. (*1*) On the issue of a share-warrant, the company shall strike out of its register of membtrs 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.

Surrender of share-warrant.

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.

Power of company to arrange for different amounts being paid on shares.

49. A company, if so authorised by its articles, may do any one or more of the following things, namely:—

(1) make arrangements on the issue of shares for a difference between the shareholders in the amounts and times of payment of calls on their shares;

(2) accept from any member who assents thereto the whole or a part of the amount remaining unpaid on any shares held by him although no part of that amount has been called up;

(3) pay dividend in proportion to the amount paid up on each share where a larger

(Part III.—Share Capital, Registration of Unlimited Company as Limited, and Unlimited Liability of Directors.)

amount is paid up on some shares than on others.

Power of company limited by shares to alter its share capital.

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 resolutions.

(*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.

(*5*) 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.

Notice to registrar of consolidation of

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

share capital, conversion of shares into stock, etc.

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 wilfully authorises or permits the default shall be liable to the like penalty.

Effect of conversion of shares into stock.

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 hereinbefore required by this Act.

Notice of increase of share capital or of members.

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, 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.

Reorganization of share capital.

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:

(Part III.—Share Capital, Registration of Unlimited Company as Limited, and Unlimited Liability of Directors.)

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 calss.

(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

Reduction of share capital

55. (1) No company limited by shares shall have power to buy its own shares 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.

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

Application to Court for confirming order.

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

Addition to name of company of "and reduced."

57. On and from the confirmation 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 of the payment to any shareholder of any paid-up share capital, then on and from the presentation of the petition for 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."

Objections by creditors and settlement of list of objecting creditors.

58. (*1*) Where the proposed reduction of share capital involves either diminution of liability in respect of unpaid share capital, or the payment to any shareholder of any paid-up share capital, and in any other case if the Court so directs, every creditor of the company who at the date fixed by the Court is entitled to any debt or claim which, if that date were the commencement of the winding up of the company, would be admissible in proof against the company, shall be entitled to object to the reduction.

(*2*) The Court shall settle a list of creditors so entitled to object, and for that purpose shall ascertain, as far as possible without requiring an application from any creditor, the names of those creditors and the nature and amount of their debts or claims, and may publish notices fixing a day or days within which creditors not entered on the list are to claim to be so entered or are to be excluded from the right of objecting to the reduction.

Power to dispense with consent of creditor on security being given for his debt.

59. Where a creditor entered on the list of creditors whose debt or claim is not discharged or determined does not consent to the reduction, the Court may, if it thinks fit, dispense with tht 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;

(*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.

Order confirming reduction.

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.

Registration of order and minute of reduction.

61. (*1*) The registrar on production to him of 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 soregistered 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.

Minute to form part of memorandum.

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.

Liability of members in respect of reduced shares.

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, alter the reduction, the company 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 registration; 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 an dorders 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.

Penalty on concealment of name of creditor.

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.

(Part III.—Share Capital, Registration of Unlimited Company as Limited, and Unlimited Liability of Directors.)

Publication of reasons for reduction.

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.

Increase and reduction of share capital in case of a company limited by guarantee having a share capital.

66. A company limited by guarantee and registered after the commencement 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 shares may increase or reduce its share capital under the provisions of this Act.

Registration of Unlimited Company as Limited.

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.

Power of unlimited company to provide for reserve share capital on re-registration.

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.

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

Limited company may have directors with unlimited liability.

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 unlimited, 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 statement, 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 making liability of directors unlimited.

71. (*1*) A limited company, if no 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.

(Part III.—Share Capital, Registration of Unlimited Company as Limited, and Unlimited Liability of Directors. Part IV.—Management and Administration.)

(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 wilfully authorises or permits the default, shall be liable to the like penalty.

PART IV.

MANAGEMENT AND ADMINISTRATION.

Office and Name.

Registered office of company.

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.

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 engraven 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.

Penalties for non-publication of name.

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 engravn as aforsaid, 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 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.

Publication of authorised as well as subscribed and paid-up capital.

75. (*1*) Where any notice, advertisement or other official publication of a company contains a statement of the amount of the authorised 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 captal 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 officer 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.

Annual general meeting.

76. (*1*) A general meeting of every company shall be held once at the least in every year, and 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

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or direct the calling of a general meeting of the company.

Statutory meeting of 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 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, 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, autditors (if any), manager (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 in respect of such shares and to the receipts and payments of the company on capital account, be certified as correct by the auditors (if any) of the company.

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

(*6*) Every director of the company who knowingly and wilfully authorises or permits a default in complying with the provisions of sub-section (*2*) or sub-section (*5*) shall be liable to a fine not exceeding twenty rupees for every day during which the default continues.

(*7*) 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.

(*8*) The members of the company present at the meeting shall be at liberty to discuss any matters 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 articels may be passed.

(*9*) 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.

(*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 directors 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.

Calling of extraordinary general meeting on requisition.

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.

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(*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 regulations 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.

Representation of companies at meetings of other companies of which they are members.

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.

Extraordinary and special resolutions.

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.

Registration and copies of special and extraordinary resolutions.

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

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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 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 authorises or permits any default by the company in complying with the requirements ofthis 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 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 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.

1[*Directors.*]

Directors obligatory.

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.

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1 This heading and sections 83A and 83B were inserted by s. 2 of the Indian Companies (Amendment) Act, 1914 (11 of 1914).

Appointment of directors.

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.

Restrictions on appointment or advertisement of director.

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 authorised 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).

(*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.

Qualification of director.

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.

Validity of acts of directors.

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.

List of directors to be sent to registrar.

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 secton, the company shall be lable to a fine not exceedng 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.

Contracts.

Form of contracts.

88. (*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.

(*2*) All contracts made according to this section shall be effectual 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.

Bills of exchange and promissory notes.

89. 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 or on account of, the company by any person acting under its authority, express or implied.

Execution of deeds abroad.

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.

Power for company to have official seal for use abroad.

91. (*1*) A company whose objects require or comprise the transaction of business beyond the limits of British India may, if authorised 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, authorise 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

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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 such 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.

Disclosure of interest by director.

†[**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 such firm or company, shall as regards any such transaction be sufficient disclosure within the meaning of his 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.

Prohibition of voting by interested director.

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.

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†Sections 91A to 91D were inserted by s. 3 of the Indian Companies (Amendment) Act, 1914 (11 of 1914).

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†[(3) This section shall not apply to a private company.]

Disclosure to members in case of contract appointing a manager.

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.

Contracts by agents of company in which company is undisclosed principal.

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.]

Prospectus.

Filing of 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

†This sub-section was added by s. 2 of the Indian Companies (Amendment) Act, 1920 (42 of 1920).

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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.

Specific requirements as to particulars of prospectus.

93. (1) Every prospectus issued by or on behalf 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 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

(*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

(*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, 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 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 direcor 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.

(*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.

Meaning of "vendor" in section 93.

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.

Application of section 93 to the case of property taken on lease.

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.

Invalidity of certain conditions as to waiver or notice.

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.

Saving in certain cases of non-compliance with section 93.

97. 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 (*n*) 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.

Obligations of companies where no prospectus is issued.

98. (*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 dirctor 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.

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.

Liability for statements in prospectus.

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 is named 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 therein, 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 statement, or was a correct and fair copy of 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 consent, 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 and before allotment thereunder, 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 subscriptions 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 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 authorised the issue of the prospectus, becomes liable to make any payment under this section, may recover contribution, as in cases of contract 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—

(*a*) 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 engineer, valuer, accountant and any other person whose profession gives authority to a statement made by him.

Allotment.

Restriction as to allotment.

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.

(*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.

Effect of irregular allotment.

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.

Restrictions on commencement of business.

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

(*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 o 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.

Return as to allotments.

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.

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(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. II of 1899.

(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 of 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.

Commissions and Discounts.

Power to pay certain commissions and prohibition of payment of all other commissions, discounts, etc.

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, 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 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.

Statement in balance-sheet as to commissions and discounts.

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.

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

107. Where any shares of a company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened 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 works or buildings 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. X of 1895. IV of 1902.

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, the debentures, and the certificates of all Limitation of time for issue of certificates.

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. Every mortgage or charge created after the commencement 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 immoveable 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 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 obligatoin 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 credited 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 immoveable property shall not be deemed to be an interest in immoveable property.

Particulars in case of series of debentures entitling holders *pari passu.*

110. Where a series of debentures containing, or giving by reference to any other 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

(*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 particulars of the date and amount of each issue, but an omission to do this shall not affect the validity of the debentures issued.

Particulars in case of commission, etc., on debentures.

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 debentures, 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.

Register of mortgages and charges.

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 subsection (*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 and with the prescribed particulars, of the mortgages or charges registered with him under this Act.

Certificate of registration.

114. The registrar shall give a certificate under his hand of the registration 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

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compiled with.

Endorsement of certificate registration on on debenture or certificate of debenture stock.

115. 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.

Duty of company and right of interested party as regards registration.

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.

Copy of instrument creating mortgage or charge to be kept at registered office.

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.

Registration of appointment of receiver.

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.

Filing of accounts of receivers.

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.

Rectification of register of mortgages.

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 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 appliaction as it thinks fit.

Entry of satisfaction.

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.

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 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.

(*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.

Company's register of mortgages.

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.

Right to inspect copies of instruments creating mortgages and charges and company's register of mortgages.

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 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.

Right to inspect the register of debenture-holders and to have copies of trust deed.

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 restric-

tions 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.

Perpetual debentures.

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.

Power to re-issue redeemed debentures in certain cases.

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 issue expressly otherwise provide, or unless the debentures have been redeemed in pursuance of any obligation on the company so to do (not being an obligation enforceable only by the person to whom the redeemed bedentures 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 with 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—

(a) 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.

Part IV.—Management and Administration.)

Specific performance of contract to subscribe for debentures.

128. A contract with a company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.

Debentures and Floating Charges.

Payments of certain debts out of assets subject to floating charge in priority to claims under the charge.

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.

Company to keep proper books of account.

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.

Annual balance-sheet.

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 for the inspection of the memebrs of the company during a period of at least seven days before that meeting.

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(*4*) If a company makes default in complying with the requirements of this section, 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.

Contents of balance-sheet.

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.

Authentication of balance-sheet.

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 comapny, by at least three of those directors and, where there are not more than three directors, by all the directors;

(iii) 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 Inda, by such drector, but in such a case there shall be subjoined to the balance-sheet a statement signed by such directors or 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.

Copy of balance-sheet to be forwarded to the registrar.

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.

(4) If a company makes default in complying with the requirements of this section, the company and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty as is provided by section 32 for a default in complying with the provisions of that section.

Right of member of company to copies of the balance-sheet and the auditor's report.

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.

Statement to be published by Banking and certain other Companies.

Certain companies to publish statement in schedule.

136. (1) Every company being a limited banking compnay 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 ceditor 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 defaults 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

VI of 1912.

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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. V of 1912.

Investigation by the Registrar.

Power of registrar to call for information or explanation.

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 compnay 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.

(*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.

Inspection and Audit.

Investigation of affairs of company by inspectors.

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 of members holding not less than one-fifth of the shares issued;

(ii) in the case of any other company having 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).

Application for inspection to be supported by evidence.

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 inquiry.

Inspection of books and examination of officers.

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.

Results of examination how dealt with.

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 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.

Power of company to appoint inspectors.

142. (*1*) A company may by a special resolution appoint inspectors to investigate its affairs.

(*2*) Inspectors so appointed shall have the same powers and duties as inspectors appointed by the Local Government, except that, instead of reporting to the Local Government, they shall report in such manner and to such persons as the company in general meeting may direct.

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(3) All persons who are or have been officers of the company shall incur the like penalties in case of refusal to produce any book or document required to be produced to inspectors so appointed, or to answer any question, as they would have incurred if the inspectors had been appointed by the Local Government.

Report of inspectors to be evidence.

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 admissable in any legal proceeding as evidence of the opinion of the inspectors in relation to any matter contained in the report.

Qualifications and appointment of auditors.

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: and

(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 practice as a public accountant.

(2A) 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 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 name of any person may be removed from or restored to the Register;

*Substituted for "Local Government" by Act XIX of 1930.

†This proviso was inserted, in substitution of another proviso by Act XIX of 1930.

‡These words were substituted for "the partners all" by Act 1 of 1932.

§ Sub-sections (2), (2A) and (2B) were inserted in substitution of old sub-section (2) by Act XIX of 1930.

(*e*) provide for the establishment, constitution and procedure of an Indian Accountancy Board, consisting of persons representing 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.

(*2B*) 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 autditor 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 memebrs either by advertisement or in any other

*For continuation, refer to section 3(1), (2), of Amending Act XIX of 1930.

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.

(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.

Powers and duties of auditors.

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.

Rights of preference shareholders, etc., as to receipts and inspection of reports, etc.

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.

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

Liability for carrying on business with fewer than seven or, in the case of a private company, two 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 cognisant 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 of the whole debts of the company contracted during that time, and may be sued for the same without joinder in the suit of any other member.

Service and Authentication of Documents.

Service of documents on company.

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.

Service of documents on registrar.

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.

Authentication of documents.

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.

Tables, Forms and Rules as to prescribed matters.

Application and alteration of tables

151. (1) The forms in the Third Schedule or forms as nearthereto 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. and forms, and power to make rules as to prescribed matters.

(*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 [1] 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 to arbitration, in accordance with the Indian Arbitration Act, IX of 1899, an existing or future difference between itself and any other company or person. Power for companies to refer matters to arbitration.

(*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, IX of 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 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 Power to compromise with creditors and members.

1 For rules under the section, *see* General Statutory Rules and Orders, Vol. IV, p. 435.

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.

Conversion of private company into public Company.

Conversion of private into public company.

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 alloting 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 this books relating to the company.

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.

Liability as contributories of present and past members.

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 undertaken 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 competition between himself and any other creditor not a member of the company; but any such may be taken into account for the purpose of the final adjustments 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.

Liability of directors whose liability is unlimited.

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.

Meaning of "contributory."

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.

Nature of liability of contributory.

159. (*1*) The liability of a contributory shall create a debt accruing due from him at the time when his liabilty 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.

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 his heirs shall be liable in a due course of administration to contribute to the assets of the coompany in dis-

charge 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 moveable or immoveable, or both, and of compelling payment thereout of the money due.

Contributories in case of insolvency

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.

Winding up by Court.

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 when deemed unable to pay its debts.

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 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.

Winding up may be referred to District Court.

164. Where the High Court makes an order for winding up a company under this Act, it may, if it thinks fit, direct all subsequent 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 winding up, all the jurisdiction and powers of the High Court.

Transfer of winding up from one District Court to another.

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.

Provisions as to applications for winding up.

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 creditors), 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 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 commencement of the winding up, or have devolved on him through the death of a former holder;

(*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.

Effect of winding up order.

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.

Commencement of winding up by Court.

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.

Court may grant injunction.

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 contributory of the company, restrain further proceedings in any suit or proceeding against the company, upon such terms as the Court thinks fit.

Powers of Court on hearing petition.

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 on 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.

Suits stayed on winding up order.

171. 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.

Copy of winding up order to be filed with registrar.

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.

(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.

Power of Court to stay winding up.

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.

Court may have regard to wishes of creditors or contributories.

174. The Court may, as to all matter 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.

Appointment of official liquidator.

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, 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.

Resignations, removals, filling up vacancies and compensation.

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 remunerations shall be distributed amongst them in such proportions as the Court directs.

Official liquidator.

177. The official liquidator shall be described by the style of the official liquidator of the particular company in respect of which he is appointed, and not by his indvidual name.

Custody of company's property.

178. (*1*) The official liquidator 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*) If no official liquidator is appointed, or during any vacancy in such appointment, all the property of the compnay shall be deemed to be in the custody of the Court.

Powers of official liquidator.

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 immoveable and moveable 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 insolvency of any contributory, for any balance against his estate, and to receive dividends in the insolvency, 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 contributory or his estate which cannot be conveniently done in the name of the company; and in all such case 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.

Discretion of official liquidator.

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.

Provision for legal assistance to official liquidator.

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.

Official books to be kept by liquidator in winding up.

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.

Exercise and control of liquidator's powers.

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 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 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 Court.

Settlement of list of contributories and application of assets.

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 the register of members in all cases where rectification is required in pursuance of this Act, and shall cause the 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.

Power to require delivery of property.

185. The Court may, at any time after making a winding up order, require any contributory for the time being settled on the list of contributories and any trustee, receiver, banker, agent, or officer of the company to pay, deliver, surrender or transfer forthwith, or within such time as the Court directs, to the official liquidator any money, property or documents in his hands to which the company is *prima facie* entitled.

Power to order payment of debts by contributory.

186. (*1*) The Court may, at any time after making a winding up order, make an order on any contributory for the time being settled on the list of contributories to pay, in manner directed by 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 pursuance 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.

Power of Court to make calls.

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.

Power to order

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. payment into bank.

189. All moneys, bills, hundis, 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. Regulation of account with 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. Order on contributory conclusive evidence.

(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 those debts are proved. Power to exclude creditors not proving in time.

192. The Court shall adjust the rights of the contributories among themselves, and distribute any surplus among the persons entitled thereto. Adjustment of rights of contributories.

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 Court thinks just. Power to order costs.

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. Dissolution of company.

(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 Power to summons

persons suspected of having property of company.

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 question 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.

Power to order public examination of promoters, directors, etc.

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 director, manager or other officer thereof.

(*2*) The official liquidator shall take part in the examination, and for that purpose may, if specially authorised 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 thereafter 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.

Power to arrest absconding contributory.

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 to 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

Saving of other proceedings.

198. Any powers by this Act conferred on the Court shall be in addition to, and not in restriction of, any existing powers of 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.

Power to enforce 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.

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

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.

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

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.

Appeals from orders.

202. Re-hearings 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.

Voluntary winding up.

Circumstances in which company may be wound up voluntarily.

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.

Commencement of voluntary winding up.

204. A voluntary winding up shall be deemed to commence at the time of the passing of the resolution authorising the winding up.

(Part V.—Winding up.)

Effect of voluntary winding up on status of company.

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 state and corporate powers of the company shall, notwithstanding anything to the contrary in its articles, continue until it is dissolved.

Notice of resolution to wind up voluntarily.

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.

Consequences of voluntarily winding up.

207. 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.

208. (*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.

Rights of creditors in a voluntary winding up.

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.

Power to fill vacancy in office of liquidator.

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 may, 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.

Delegation of authority to appoint liquidators.

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 the liquidators, or enter into any arrangement with respect to 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.

Arrangement when binding on creditors.

112. (*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.

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

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 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 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 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

(Part V.—Winding up.)

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.

Mode of determining price.

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. IX of 1899

Power to apply to Court.

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 matters all or any of the powers which the Court might exercise if the company were being wound up by the Court.

(*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 may make such other order on the application as the Court thinks just.

Power of liquidator to call general meeting.

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.

Final meeting and dissolution.

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 subsection (*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.

Cost of voluntary liquidation.

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.

Saving for rights of creditors and contributories.

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.

Power of court to adopt proceedings of voluntary winding up.

220. 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.

Power to order winding up subject to

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. supervision

222. A petition for the continuance of a voluntary winding up subject to the 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. Effect of position for winding up subject to supervision.

223. The Court may, in deciding between a winding up by the Court and a winding up subject to supervision, in the appointment of liquidators, and in all other matters relating to the winding up subject to supervision, have regard to the wishes of the creditors or contributories as proved to it by any sufficient evidence. Court may have regard to wishes of creditors and contributories.

224. (*1*) 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. Power for Court to appoint or remove liquidators.

(*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. Effect of supervision order.

(*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.

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

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 last-mentioned order or by any subsequent order, appoint the voluntary liquidators or any of them, either provisionally or permanently, and either with or without the addition of any other person, to be official liquidator in the winding up by the Court.

Supplemental Provisions.

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.

Debts of all descriptions to be proved.

228. In every winding up (subject in the case 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 debts or claims as may be subject to any contingency or for some other reason do not bear a certain value.

Application of insolvency rules in winding up of insolvent companies.

229. In the winding up of an insolvent company the same rules shall prevail and be observed with regard to the respective rights of secured and unsecured creditors and to debts provable and to the valuation of annuities and future and contingent liabilities as are in force for the time being under the law of insolvency with respect to the estates of persons adjudged insolvent; and all persons who in any such case would be entitled to prove for any 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 payments.

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 herein after 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

(*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.

(*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.

Fraudulent preference.

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.

Avoidance of certain attachments, executions, etc.

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.

Effect of floating charge.

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.

General scheme of liquidation may be sanctioned.

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 contributory or alleged contributory 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.

Power of Court to assess damages against delinquent directors, etc.

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 repay 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.

IX of 1908.

(3) The Indian Limitation Act, 1908, shall apply to an application under this section as if such application were a suit.

Penalty for falsification of books.

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.

Prosecution of delinquent directors, etc.

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, 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 liqudator (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 ciminally 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.

Penalty for false evidence.

238. If any person, upon any examination upon oath authorised under this Act, or in any affidavit, deposition or solemn affirmation, 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.

Meetings to ascertain wishes of creditors or contributories.

239. (1) Where by this Act the Court is authorised 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.*

Documents of company to be evidence.

240. Where any company is being wound up, all documents of the company and of the liquidators shall, as between the contributories of the company, be *prima facie* evidence of the truth of all matters purporting to be therein recorded.

Inspection of documents.

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.

Disposal of documents of company.

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 volutary 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.

Power of Court to declare dissolution of company void.

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.

Information as to pending liquidations.

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, 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 liquidaton.

(*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.

XLV of 1860.

(*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.

Court or person before whom affidavit may be sworn.

245. (*1*) Any affidavit required to be sworn under the provisions or for the purposes of this Part may be sworn in British India, or elsewhere within the dominions of His Majesty, before any Court, Judge or person lawfully authorised to take and receive affidavits, or in any part of India other than British India before any Court authorised 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.

Rules.

Power of High Court to make rules.

V of 1908.

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 giving effect to the pro-

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visions hereinbefore contained as to the reduction of the capital and the sub-divisions of the shares of a company, 1[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.

Removal of defunct Companies from Register.

Registrar may strike defunct company off 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.

1These words were inserted by section 2 and Schedule I of the Repealing and Amending Act, 1915 (11 of 1915).

(*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 otherwise 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 thereupon the company 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 memorandum.

PART VI.

REGISTRATION OFFICE AND FEES.

Registration offices.

248. (*1*) For the purposes of the registration of companies under this Act, there shall be offices at such places as the Local Government thinks fit, and no company shall be registered 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[1] 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 registration 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

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1 For such regulations for Madras, *see* Madras Local Rules and Orders, 1923, Vol. I, Pt. II, p. 263.

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.

Fees.

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.1

(*2*) All fees paid to the registrar in pursuance of this Act shall be accounted for to the Crown.

PART VII.

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

Application of Act to companies formed 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 1860, or either of them, or under the Indian Companies Act, 1866, or the Indian Companies Act, 1882;

X of 1866.
VI of 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

1 For notification directing payment of reduced fees, *see* General Statutory Rules and Orders. Vol. IV, p. 469.

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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. X of 1866. VI of 1882.

Application of Act to companies registered but not formed under former Companies Acts.

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: X of 1866. VI of 1882.

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.

Mode of transferring.

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 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 cases 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 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 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 them-

(Part VIII.—Companies authorised to register under this Act.)

selves 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. VI of 1882.

Definition of "joint-stock company."

254. For the purposes of this Part as far as relates to registration of 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.

Requirements for registration by joint stock companies.

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-partnery 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 joint stock companies.

256. Before the registration in pursuance of this Part 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-partnery 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.

Authentication of statement of existing companies.

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 any two or more directors or other principal officers of the company.

Registrar may require evidence as to nature of 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.

On registration of banking company with limited liability, notice to be given to customers.

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 so 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 so 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.

Exemption of certain

260. No fees shall be charged in respect of the registration in pursuance of this Part of a com-

pany 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. companies from payment of fees.

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. Addition of "Limited" to 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. Certificate of registration of existing companies.

263. All property, moveable and immoveable, including all interests and rights in, to and out of property, moveable and immoveable, 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. Vesting of property on registration.

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. Saving of existing liabilities.

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. Continuation of existing suits.

266. When a company is registered in pursuance of this Part— Effect of registration under Act.

(i) all provisions contained in any Act of Parliament, Act of the Governor-

General in Council, deed of settlement, contract of co-partnery, 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

(Part VIII.—Companies authorised to register under this Act.)

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-partnery, Letters Patent or other instrument constituting or regulating the company;

(iv) nothing in this section shall authorise the company to alter any such provi-

sions contained in any deed of settlement, contract of co-partnery, 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-partnery, Letters Patent or other instrument constituting or regulating the company, be vested in the company.

Power to substitute memorandum and articles for deed of settlement.

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-partnery 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.

(Part IX.—Winding up of Unregistered Companies.)

Power of Court to stay or restrain proceedings.

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.

Suits stayed on winding up order.

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.

Meaning of "unregistered company."

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.

X of 1866.
VI of 1882.

Winding up of unregistered companies.

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;

(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 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 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 authorised to be sued as nominal defendant on behalf of the 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.

Contributories in winding up of unregistered companies.

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 any sum for the adjustment of the rights of the members among themselves, 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.

Power to stay or restrain proceedings.

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.

Suits stayed on winding up order.

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.

Directions as to property in certain cases.

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 immoveable, including all interests and rights in, to and out of property, moveable and immoveable, 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.

Provisions of this Part cumulative.

276. The provisions of this Part with respect to unregistered companies shall be in addition to, and not in restriction of, any provisions hereinbefore 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 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.

Requirements as to 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

(Part X.—Companies established outside British India.)

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; 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:

Part X.—Companies established outside British India.)

Provided that the Governor General in Council may, by 1 notification in the Gazette of India subject to such restrictions and conditions, if any, as he may therein 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;

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1 For notifications exempting certain companies from the requirements of subsection (3) see General Statutory Rules and Orders, Vol. IV, pp. 469—473.

(Part XI.—Supplemental.)

(*c*) the expression "director" includes any person occupying the position of 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.

PART XI.

SUPPLEMENTAL.

Legal proceedings, offences, etc.

278. (*1*) No Court inferior to that of a Presidency Magistrate or Magistrate of the first class shall try any offence against this Act. Cognizance of offences.

(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 Judicature 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. V of 1898.

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. Applications of fines.

280. Where a limited company is plaintiff or petitioner in any suit or other legal proceeding, any Court having jurisdiction in the 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. Power to require limited company to give security for costs.

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 Power of Court to grant relief in certain cases.

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.

Penalty for false statement.

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.

Penalty for improper use of word "Limited."

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 of title has been used.

Saving of pending proceedings for winding up.

284. The provision 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.

VI of 1882.

Saving of document.

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.

Former registration offices, registers, and registrars, continued.

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. Savings for Indian Life Assurance Companies Act, 1912, and Provident Insurance Societies Act, 1912. VI of 1912. V of 1912.

288. In sections 1 and 18 of Act No. XXI of 1860 (for the registration of Literary, Scientific and Charitable Societies), the words "registrar of joint-stock companies" shall be construed to mean the registrar under this Act. Construction of "registrar joint-stock, companies in Act XXI of 1860.

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. Act not to apply to Banks of Bengal, Madras or Bombay.

290. (*1*) The enactments mentioned in the fourth Schedule are hereby repealed to the extent specified in the fourth column thereof: Repeal of Acts and Savings.

Provided that the repeal shall not affect—

(*a*) the incorporation of any company registered under any enactment hereby repealed; nor

(*b*) Table B1 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 A2 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. VI of 1882.

(*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. X of 1897.

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1 *See* Appendix I to this Act, p. 168, *infra*.
2 *See* Appendix II to this Act, p. 181, *infra*.

(The First Schedule.—Table A.—Regulations for Management of a Company limited by shares.)

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 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 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

(The First Schedule.—Table A.—Regulations for Management of a Company limited by shares.)

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. 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.

Lien.

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 shares, 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, for 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 of such part of amount in respect of which the lien exists as is presently payable, 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.

Calls on shares.

12. The directors may from time to 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 payments) pay to the company at the time or times so specified the amount called on his shares.

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

(The First Schedule.—Table A.—Regulations for Management of a Company limited by shares.)

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, 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 transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is 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 paid to me by C D of (hereinafter called "the said transferee"), 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 .

Witness to the signatures of, etc.

20. The directors may decline to register any transfer of shares, not being fuly 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—

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(*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.

21. The executors or administrators of a deceased sole holder of a share shall be the only persons recognised 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 ofthe deceased survivor, shall be the only persons recognised 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, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made; but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent person before the death or insolvency.

23. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

Forfeiture of shares.

22. 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

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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, if any, given for the share on the sale or disposition thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of 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 (execept 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

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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 as to the identity of the person signing the request, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the directors may from time to time require, issue under the company's seal 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 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.

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Alteration of Capital.

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.

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 offer 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 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 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;

(*d*) reduce its share capital in any manner and with, and subject to, any incident 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 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.

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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 on 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. 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 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.

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, three members 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 if at any meeting he is not present within fifteen minutes after the time appointed for holding

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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.

Votes of Members.

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.

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.

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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 authorised in writing, or, if the appointor is a corporation either under the common seal, or under the hand of an officer or attorney so authorised. 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.

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 the 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

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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 director 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 other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

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Disqualification of Directors.

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.

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 vacating 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 vacating directors are not filled up, the vacating directors or such of them as have not had their places filled up shall be deemed to have been re-elected at the adjourned meeting.

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.

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.

85. The directors shall have power at any time, and from time to time, to appoint a person as an additional director who shall retire

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from office at the next following ordinary general meeting, but shall be eligible for election by the company at that meeting as an additional director.

86. The Company may by extraordinary resolution remove any director before the expiration of his period of office, and may by an 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 a director.

Proceedings of Directors.

87. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of directors.

88. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall (when the number of directors exceeds three) be three.

89. 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.

90. The directors may elect a chairman of their meetings 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.

91. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so †[formed] shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the directors.

92. A committee may elect a chairman of their meetings: 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 members present may choose one of their number to be chairman of the meeting.

93. 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.

94. All acts done by any meeting of the directors or of a

†Substituted for the word "found" by the Repealing and Amending Act, 1914 (10 of 1914), Sch. I.

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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 of 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.

Dividends and Reserve.

95. The company in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the directors.

96. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the company.

97. No dividends shall be paid otherwise than out of profits.

98. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purposes of this article as paid on the share.

99. 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 equalizing dividends, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the directors may from time to time think fit.

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.

101. Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein.

102. No dividend shall bear interest against the company.

Accounts.

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.

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

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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.

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.

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.

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.

110. The directors shall in all respects comply with the provisions of section 130 to 135 of the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force.

Audit.

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.

112. (*1*) A notice may be given by the company to any member either personally or by sending it by post to him to 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,

(The First Schedule.—Table A.—Regulations for Management of a Company limited by shares. Table B.—Table of Fees to be paid to the Registrar.)

to have been effected at the time at which the letter would be delivered in the ordinary course of post.

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 bearers 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 249 and 262.)

TABLE OF FEES TO BE PAID TO THE REGISTRAR.

I.—By a company having a share capital.

	Rs.	A.	P.
1. For registration of a company whose nominal share capital does not exceed Rs. 20,000, a fee of	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 10,00,000 rupees ..	5	0	0

(The First Schedule.—Table B.—Table of Fees to be paid to the Registrar.)

	I.—By a company having a share capital—contd.			
	For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 10,00,000 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	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	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	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 ..	100	0	0
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 ..	400	0	0

†For reduction of this fee *see* General Statutory Rules and Orders, Vol. IV, p. 469.

(The First Schedule.—Table B.—Table of Fees to be paid to the Registrar.)

5.	For registration of any increase on the number of members made after the registration of the company, the same fees 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	5†	0 0
8.	For making a record of any fact by this Act authorised or required to be recorded by the registrar, a fee of	5	0 0

‡These words were inserted by Notification No. 1-D., dated 3rd November, 1917, *see* Gazette of India, 1917, Pt. I, p. 1787.

*The figure "5" was omitted by *ibid.*

†For reduction of this fee *see* General Statutory Rules and Orders, Vol. IV, p. 469.

(The Second Schedule.—Statement in lieu of Prospectus.)

THE SECOND SCHEDULE.

(See section 98.)

STATEMENT IN LIEU OF PROSPECTUS.

filed by , LIMITED,

pursuant to section 98 of the Indian Companies Act, 1913.

Presented for filing by

THE INDIAN COMPANIES ACT, 19 .

LIMITED.

STATEMENT IN LIEU OF PROSPECTUS.

The nominal share capital of the company.	Rs.
Divided into	shares of Rs. each. " " " " " "
Names, descriptions and address of directors or proposed directors and of the managers or proposed managers.	
Minimum subscription (if any) fixed by the memorandum or articles of association on which the company may proceed to allotment.	
Number and amount of shares and debentures agreed to be issued as fully or partly paid up otherwise than in cash. The consideration for the intended issue of those shares and debentures.	1. shares of Rs. fully paid. 2. shares upon which per share credited as paid. 3. Debenture Rs. 4. Consideration.
Names and addresses of (*a*) vendors of property purchased or acquired, (*b*) or proposed to be purchased or acquired by the company. Amount (in cash, shares or debentures) payable to each separate vendor.	

(*a*) For definition of vendor, *see* section 94 of the Indian Companies Act, 1913.

(*b*) *See* section 95 of the Indian Companies Act, 1913.

(The Second Schedule.—Statement in lieu of Prospectus.)

The nominal share capital of the company.	Rs.
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 . . „ Shares . . „ Debentures „ 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	Account paid. „ payable. Rate per cent.
Estimated amount of preliminary expenses . . .	Rs.
Amount paid or intended to be paid to any promoter . . . . . . Consideration for the payment	Name of promoter. Amount Rs. Consideration:—
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 the company or entered into more than two years before the filing 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 (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 of formation of the company.	
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.	Nature of the provisions.

(Signature of the persons above-named as directors or proposed directors, or of their agents authorised in writing.)

(The Third Scheaule.)

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.

Names, addresses and descriptions of subscribers.	Number of shares taken by each subscriber.
1 A. B. of . merchant	200
2. C. D. „ „	25
3 E. F. „ „	30
4. G. H. „ „	40
5. I. J. „ „	15
6. K. L. „ „	5
7. M. N. „ „	10
TOTAL SHARES TAKEN .	325

Dated the day of 19 .

Witness to the above signatures.

X. Y. of

(The Third Schedule.—Form B.)

FORM B.

(See section 7 and 151.)

MEMORANDUM AND ARTICLES OF ASSOCIATION OF A COMPANY LIMITED BY GUARANTEE, AND NOT HAVING A SHARE 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 objects."

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.

"1. A. B. of
"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

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.

(The Third Schedule.—Form B.)

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 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 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.

(The Third Schedule.—Form B.)

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 appoint 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:—

(The Third Schedule.—Form B.)

Company, Limited,

I, , 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.

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 substituted for "statutory meeting."

Notices.

30. A notice may be given by the company to any member either personally or by sending it by post to him to his registered address.

31. 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.

(The Third Schedule.—Forms B and C.)

Names, Addresses and Descriptions of Subscribers.

"1. A. B. of
"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.

X. Y., of

FORM C.

(See sections 7 and 151.)

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.

(The Third Schedule.—Form C.)

Names, addresses and descriptions of subscribers.	Number of shares taken by each subscriber.
"1. A. B. of	200
"2. C. D. of	25
"3. E. F. of	30
"4. G. H. of	40
"5. I. J. of	15
"6. K. L. of	5
"7. M. N. of	10
TOTAL SHARES TAKEN .	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, 1913, 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.

X. Y., of

(The Third Schedule—Form D.)

FORM D.

(See sections 8 and 151.)

MEMORANDUM AND ARTICLES OF ASSOCIATION OF AN UNLIMITED COMPANY HAVING A SHARE CAPITAL.

Memorandum of Association.

1st.—The name of the company is "The Patent Stereotype Company."

22nd.—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 working of a patent method of founding and casting stereotype plates of which method P. Q., of Bombay, is the sole patentee."

We, the several persons whose names 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.	Number of shares taken by each Subscriber.
"1. A. B. of	3
"2. C. D. of	2
"3. E. F. of	1
"4. G. H. of	2
"5. I. J. of	2
"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.

"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.

X. Y., of

(The Third Schedule.—Form E.)

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).

Nominal shares capital Rs. divided into* shares of Rs. each.

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	
Number of shares issued subject to payment wholly in cash	
Number of shares issued as fully paid up otherwise than in cash	
Number of shares issued as partly paid up to the extent of per share otherwise than in cash	
†There has been called up on each—of shares	Rs.
There has been called up on each—of shares	Rs.
There has been called up on each—of shares	Rs.
‡Total amount of called received, including payments on application and allotment	Rs.
Total amount (if any) agreed to be considered as paid on shares which have been issued as fully paid up otherwise than in cash	Rs.
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	Rs.
Total amount of calls unpaid	Rs.
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	Rs.
Total amount (if any) paid on §shares forfeited	Rs.
Total amount of shares and stock for which share-warrants are outstanding	Rs.
Total amount of share-warrants issued and surrendered respectively since date of last summary	Rs.
Number of share or amount of stock comprised in each share-warrant	Rs.
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	Rs.

* 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.

(The Third Schedule.—Form E.)

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.

Folio in register ledger containing particulars.	Names, Addresses and Occupations.				Account of Shares.						
	Name in full.	Father's name.	Address.	Occupation or caste.	Number of shares held by existing Members at date of return.	§Particulars of *Shares* transferred since the date of the last Return by persons who are still Members.		§Particulars of Shares transferred since the date of the last Return by persons who have ceased to be Members.		Remarks.
						Number.†	Date of Registration of Transfer.	Number.‡	Date of Registration of Transfer.	

*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.

(The Third Schedule.—Form E.)

Names and addresses of the persons who are the Directors of the , Limited, on the day of 19 .

Names.	Addresses.

Names and addresses of the persons who are the managers of the , Limited, on the day of 19 .

Names.	Addresses.

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 .

(Signature).....

(State whether director, manager or secretary.)

FORM F.

(See Section 132.)

.....LIMITED.

Balance-sheet as at.....19 .

CAPITAL AND LIABILITIES.	Rs.	A.	P	Rs.	A.	P.	PROPERTY AND ASSETS.	Rs.	A.	P.	Rs.	A.	P.
CAPITAL—							FIXED CAPITAL EXPENDITURE . .				...		..
Authorised Capital..shares of Rs.....each		...	..				(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.)						
Issued Capital..shares of Rs.....each	—	—	—										
		...											
Subscribed Capital, shares of Rs.....each	—	—	—										
		...											
Amount called up at Rs..... per share	—	—	—										
	.												
Less—Calls unpaid . . .	...	...											
Add—Forfeited shares (amount paid up)	—	—	—	..		.							
	.												
RESERVE FUND OR DEVELOPMENT FUND	—	—	—		.		PRELIMINARY EXPENSES . .				...	...	..
ANY SINKING FUND				...	...		COMMISSION OR BROKERAGE . .				...		.
ANY OTHER FUND CREATED OUT OF NET PROFITS				...			Commission or Brokerage paid for underwriting or placing shares or debentures until written off.)						
ANY PENSION OR INSURANCE FUND .					.	.							
PROVISION FOR BAD AND DOUBTFUL DEBTS				...		..	STORES AND SPARE GEAR . . .				...		...
LOANS ON MORTGAGE OR MORTGAGE DEBENTURE BONDS . . .						...	LOOSE TOOLS						.
							LIVE STOCK					. .	...
LOANS OTHERWISE SECURED . . .				...		.	STOCK IN TRADE				...	.	...
(Stating the nature of security.)							(Stating mode of valuation, *e.g.*, cost or market-value.)						
							BILLS OF EXCHANGE				...		
LOANS UNSECURED							BOOK DEBTS					..	...
INTEREST				...	...		(Distinguishing in the case of a Bank between those considered good and in respect of						
(accrued on mortgages, Debentures or other Secured Loans.)													

FORM F—*contd.*

CAPITAL AND LIABILITIES—*contd.*	Rs.	A.	P.	Rs.	A.	P.
UNCLAIMED DIVIDENDS . . .				...	...	
LIABILITIES					..	...
For Goods supplied . . .	..	.				
„ Expenses	...					
„ 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, etc.)	—	—	—	...		
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	...	..				

PROPERTY AND ASSETS—*contd.*	Rs.	A.	P.	Rs.	A.	P.
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 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 in all cases.)						
ADVANCES				...		...
(Recoverable in cash or in kind or for value to be received, *e g*, Rates, Taxes, Insurance, etc.)						
INVESTMENTS				...	..	...
(Nature of Investment and mode of valuation, *e.g.*, cost of market-value)						
INTERESTS 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).				...	...	...

(The Third Schedule.—Form G.)

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. divided into shares of Rs. each.

The number of shares issued is . Calls to the amount of Rs. per share have been made, 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.

Bill of exchange, hundis and promissory notes, Rs.

Cash at the Bankers, Rs.

Other securities, Rs.

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* If the company has no capital divided into shares, the portion of the statement relating to capital and share must be omitted.

(The Fourth Schedule.—Enactments repealed.)

THE FOURTH SCHEDULE.

(See section 290.)

ENACTMENTS REPEALED.

1	2	3	4
Year.	No.	Subject or short title.	Extent of repeal.
1882 .	VI	The Indian Companies Act, 1882 . . .	So much as has not been repealed.
1887 .	VI	The Indian Companies (1882) Amendment Act, 1887.	The whole.
1891 .	XII	The Amending Act, 1891	So much of the Second Schedule as relates to the Indian Companies Act, 1882.
1895 .	XII	The Indian Companies (Memorandum of Association) Act, 1895.	The whole.
1899 .	IX	The Indian Arbitration Act, 1899 . . .	The second proviso to section 3 relating to the Indian Companies Act, 1882.
1900 .	IV	The Indian Companies (Branch Registers) Act, 1900.	The whole.
1910 .	IV	The Indian Companies (Amendment) Act, 1910.	The whole.

(Appendix I.—Table B in Schedule to Act XIX of 1857.)

APPENDIX I.

*(Table B in Schedule to Act XIX of 1857.)**

REGULATIONS FOR MANAGEMENT OF THE COMPANY.

Shares.

1. No person shall be deemed to have accepted any share in the Company unless he has testified his acceptance thereof by writing under his hand in such form as the Company from time to time directs.

2. The Company may from time to time make such calls upon the shareholders, in respect of all moneys unpaid on their shares, as they think fit, provided that twenty-one days' notice at least is given of each call, and each shareholder shall be liable to pay the amount of calls so made to the persons and at the times and places appointed by the Company.

3. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed.

4. If, before or on the day appointed for payment, any shareholder does not pay the amount of any call to which he is liable, then such shareholder shall be liable to pay interest for the same at the rate of 5 per cent. per annum from the day appointed for the payment thereof to the time of the actual payment.

5. The Company may if they think fit, receive, from any of the shareholders willing to advance the same, all or any part of the moneys due upon their respective shares beyond the sums actually called for and upon the moneys so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the shareholder paying such sum in advance and the Company agree upon.

6 If several persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividend payable in respect of such share.

7. The Company may decline to register any transfer of shares made by a shareholder who is indebted to them.

8. Every share-holder shall, on payment of such sum not exceeding eight annas as the Company may prescribe, 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.

9. If such certificate is worn out or lost, it may be renewed on payment of such sum, not exceeding eight annas, as the Company may prescribe.

10. The transfer books shall be closed during the fourteen days immediately preceding the ordinary general meeting in each year.

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*See s. 290 (1) (*b*) of the Indian Companies Act, 1913 (7 of 1913).

The Table is reproduced here as an Appendix for convenience of reference.

(Appendix I.—Table B in Schedule to Act XIX of 1857.)

Transmission of Shares.

11. The executors or administrators or representatives of a deceased shareholder shall be the only persons recognized by the Company as having any title to his share.

12. Any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any shareholder, or in consequence of the marriage of any female shareholder or in any way other than by transfer, may be registered as a shareholder upon such evidence being produced as may from time to time be required by the Company.

13. Any person who has become entitled to a share in any way other than by transfer may, instead of being registered himself, elect to have some person to be named by him registered as a holder of such share.

14. The person so becoming entitled shall testify such election by executing to his nominee a transfer of such share.

15. The instrument of transfer shall be presented to the Company accompanied with such evidence as they may require to prove the title of the transferor, and thereupon the Company shall register the transferee as a shareholder.

Forfeiture of Shares

16. If any shareholder fails to pay any call due on the appointed day, the Company may, at any time thereafter, during such time as the call remains unpaid, serve a notice on him, requiring him to pay such call, together with any interest that may have accrued by reason of such non-payment.

17. The notice shall name a further date, and a place or places, being a place or places at which calls of the Company are usually made payable, on and at which such call is to be paid; it shall also state that, in the event of non-payment at the time and place appointed, the shares in respect of which such call was made will be liable to be forfeited

18. If the requisitions of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may be forfeited by a resolution of the directors to that effect.

19. Any shares so forfeited shall be deemed to be the property of the Company, and may be disposed of in such manner as the Company thinks fit.

20. Any shareholder whose shares have been forfeited shall notwithstanding be liable to pay to the Company all calls owing upon such shares at the time of the forfeiture.

Increase in Capital.

21. The Company may, with the sanction of the Company previously given in general meeting, increase its capital.

22. Any capital raised by the creation of new shares shall be considered as part of the original capital, and shall be subject to the same provisions in all respects, whether with reference to the payment of calls, or the forfeiture of shares on non-payment of calls or otherwise, as if it had been part of the original capital.

(*Appendix 1.—Table B in Schedule to Act XIX of 1857.*)

General Meetings.

23. The first general meeting shall be held at such time, not being more than twelve months after the incorporation of the Company, and at such place as the directors may determine.

24. Subsequent general meetings shall be held at such time and place as may be prescribed by the Company in general meeting; and if no other time or place is prescribed, a general meeting shall be held on the †[first Monday in February] in every year, at such place as may be determined by the directors.

25. The above-mentioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

26. The directors may, whenever they think fit, and they shall, upon a requisition made in writing by any number of shareholders holding in the aggregate not less than one-fifth part of the shares of the Company, convene an extraordinary general meeting.

27. Any requisition so made by the shareholders shall express the object of the meeting proposed to be called, and shall be left at the registered office of the Company.

28. Upon the receipt of such requisition, the directors shall forthwith proceed to convene a general meeting; if they do not proceed to convene the same within twenty-one days from the date of the requisition, the requisitionists, or any other shareholders holding the required number of shares, may themselves convene a meeting.

29. Seven days' notice at the least, specifying the place, the time, the hour of meeting, and the purpose for which any general meeting is to be held, shall be given by advertisement, or in such other manner (if any) as may be prescribed by the Company.

30. Any shareholder may, on giving not less than three days' previous notice, submit any resolution to a meeting beyond the matters contained in the notice given of such meeting.

31. The notice required of a shareholder shall be given by leaving a copy of the resolution at the registered office of the Company.

32. No business shall be transacted at any meeting, except the declaration of a dividend, unless a quorum of shareholders is present at the commencement of such business; and such quorum shall be ascertained as follows (that is to say): if the shareholders belonging to 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 shareholders up to fifty, and one for every ten additional shareholders after fifty, with this limitation, that it shall not be necessary for any quorum in any case to exceed forty.

33. If within one hour from the time appointed for the meeting the required number of shareholders is not present, the meeting, if convened upon the requisition of the shareholders, shall be dissolved: in any other case it shall stand adjourned to the following day at the same time and place, and if at such adjourned meeting the required number of shareholders is not present, it shall be adjourned *sine die.*

34. The chairman (if any) of the Board of Directors shall preside as chairman at every meeting of the Company.

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†The bracketted portion read originally as follows: " day of ."

(Appendix I.—Table B in Schedule to Act XIX of 1857.)

35. If there is no such chairman, or if at any meeting he is not present at the time of holding the same, the shareholders present shall choose some one of their number to be chairman of such meeting.

36. The chairman may, with the consent of the meeting, adjourn any 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.

37. At any general meeting, unless a poll is demanded by at least five, shareholders, 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 sufficient evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

38 If a poll is demanded in manner aforesaid, the same shall be taken in such manner as the chairman directs, and the result of such poll shall be deemed to be the resolution of the Company in general meeting

Votes of Shareholders.

39. Every shareholder shall have one vote for every share up to ten; he shall have an additional vote for every five shares beyond the first ten shares up to one hundred, and an additional vote for every ten shares held by him beyond the first hundred shares.

40. If any shareholder is a lunatic or idiot, he may vote by his committee; and if any shareholder is a minor, he may vote by his guardian, or any one of his guardians if more than one.

41. If more persons than one are jointly entitled to a share or shares, the person whose name stands first in the register of shareholders as one of the holders of such share or shares, and no other, shall be entitled to vote in respect of the same.

42. No shareholder shall be entitled to vote at any meeting unless all calls due from him have been paid, nor until he shall have been possessed of his shares three calendar months, unless such shares shall have been acquired or shall have come by bequest, or by marriage, or by succession to an intestate's estate, or by any deed of settlement after the death of any person who shall have been entitled for life to the dividends of such shares.

43. Votes may be given either personally or by proxies; a proxy shall be appointed in writing under the hand of the appointor, or, if such appointor is a corporation, under their common seal.

44. No person shall be appointed a proxy who is not a shareholder, and 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; but no instrument appointing a proxy shall be valid after the expiration of one month from the date of its execution.

Directors

45. The number of the directors, and the names of the first directors shall be determined by the subscribers of the memorandum of association.

46. Until directors are appointed, the subscribers of the memorandum of association shall for all the purposes of this Act be deemed to be directors.

(Appendix I.—Table B in Schedule to Act XIX of 1857.)

Powers of Directors.

47. The business of the Company shall be managed by the directors, who may exercise all such powers of the Company as are not by this Act or by the articles of association (if any) declared to be exercisable by the Company in general meeting, subject nevertheless to any regulations of the articles of association, to the provisions of this Act, and to such regulations, not being 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 such regulation had not been made.

Disqualification of Directors.

48. The office of director shall be vacated—

if he holds any other office or place of profit under the Company,

if he becomes bankrupt or insolvent,

if he is concerned in or participates in the profits of any contract with the Company;

if he participates in the profits of any work done for the Company.

But the above rules shall be subject to the following exceptions:—that no director shall vacate his office by reason of his being a shareholder in any incorporated Company which has entered into contracts with or done any work for the Company of which he is director; nevertheless he shall not vote in respect of such contract or work; and, if he does so vote, his vote shall not be counted, and he shall incur a penalty, not exceeding five hundred rupees.

Rotation of Directors.

49. At the first ordinary meeting after the incorporation of the Company the whole of the directors shall retire from office; and at the first ordinary meeting in every subsequent year, one-third of the directors for the time being, or, if their number is not a multiple of three, then the number nearest to one-third, shall retire from office.

50. The one-third or other nearest number to retire during the first and second years ensuing the incorporation of the Company shall, unless the directors agree among themselves, be determined by ballot; in every subsequent year the one-third or other nearest number who have been longest in office shall retire.

51. A retiring director shall be re-eligible.

52. The Company at the general meeting at which any directors retire in manner aforesaid shall fill up the vacated offices by electing a like number of persons.

53. If at any meeting at which an election of directors ought to take place no such election is made, the meeting shall stand adjourned till the next day, at the same time and place; and if at such adjourned meeting no election takes place, the former directors shall continue to act until new directors are appointed at the first ordinary meeting of the following year.

54. The Company may from time to time, in general meeting, increase or reduce the number of directors, and may also determine in what rotation such increased or reduced number is to go out of office.

(Appendix I.—Table B in Schedule to Act XIX of 1857.)

55. Any casual vacancy occurring in the Board of Directors may be filled up by the directors; but any person so chosen shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred.

Proceedings of Directors.

56. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business; questions arising at any meeting shall be decided by a majority of votes; in case of an equality of votes, the chairman, in addition to his original vote, shall have a casting vote: a director may at any time summon a meeting of the directors.

57. The directors may elect a chairman of their meetings 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 at the time appointed for holding the same, the directors present shall choose some one of their number to be chairman of such meeting.

58 The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit: any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the directors.

59. A committee may elect a chairman of their meetings: if no such chairman is elected, or if he is not present at the time appointed for holding the same, the members present shall choose one of their number to be chairman of such meeting.

60. A committee may meet and adjourn as they think proper: questions at any meeting shall be determined by a majority of votes of the members present; and in case of an equal division of votes, the chairman shall have a casting vote.

61. 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 of 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.

62. The director shall cause minutes to be made in books provided for the purpose—

(1) of all appointments of officers made by the directors;

(2) of the names of the directors present at each meeting of directors and committees of directors;

(3) of all orders made by the directors and committees of directors; and

(4) of all resolutions and proceedings of meetings of the Company, and of the directors and committees of directors.

And any such minute as aforesaid, if signed by any person purporting to be the chairman of any meeting of directors, or committee of directors, shall be receivable in evidence without any further proof.

63. The Company, in general meeting, may, by a special resolution, remove any director before the expiration of his period of office, and appoint another qualified person in his stead: the person so appointed shall hold office during such time only as the director in

whose place he is appointed would have held the same if he had not been removed.

Dividends.

64. The directors may, with the sanction of the Company in general meeting, declare a dividend to be paid to the shareholders in proportion to their shares.

65. The directors may, before recommending any dividend, set aside out of the profits of the Company such sum as they think proper as a reserved fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining the works connected with the business of the Company, or any part thereof; and the directors may invest the sum so set apart as a reserved fund upon such securities as they, with the sanction of the Company, may select.

66. The directors may deduct from the dividends payable to any shareholder all such sums of money as may be due from him to the Company on account of calls or otherwise.

67. Notice of any dividend that may have been declared shall be given to each shareholder, or sent by post or otherwise to his registered place of abode; and all dividends unclaimed for three years, after having been declared, may be forfeited by the directors for the benefit of the Company.

68. No dividend shall bear interest as against the Company.

Accounts.

69. Once at the least in every year the directors shall lay before the Company in general meeting a statement of the income and expenditure for the past year made up to a date not more than three months before such meeting.

70. The statement so made 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 expense 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.

71. A balance-sheet shall be made out in every year, and laid before the general meeting of the Company; and such balance-sheet shall contain a summary of the property and liabilities of the Company arranged under the heads appearing in the form annexed to this table, or as near thereto as circumstances admit.

72. A printed copy of such balance-sheet shall, seven days previously to such meeting, be delivered at or sent by post to the registered address of every shareholder.

(Appendix I.—Table B in Schedule to Act XIX of 1857.)

Audit.

73. The accounts of the Company shall be examined, and the correctness of the balance-sheet ascertained by one or more auditor or auditors to be elected by the Company in general meeting.

74. If not more than one auditor is appointed, all the provisions herein contained relating to auditors shall apply to him.

75. The auditors need not be shareholders in the Company: no person is eligible as an auditor who is interested otherwise than as a shareholder in any transaction of the Company; and no director or other officer of the Company is eligible during his continuance in office.

76. The election or auditors shall be made by the Company at their ordinary meeting, or, if there are more than one, at their first ordinary meeting in each year.

77. The remuneration of the auditors shall be fixed by the Company at the time of their election.

78. Any auditor shall re-eligible on his quitting office.

79. If any casual vacancy occurs in the office of auditor, the directors shall forthwith call an extraordinary general meeting for the purpose of supplying the same.

80. If no election of auditors is made in manner aforesaid, the Local Government may, on the application of one-fifth in number of the shareholders of the Company, appoint an auditor for the current year, and fix the remuneration to be paid to him by the Company for his services.

81. Every auditor shall be supplied with a copy of the balance-sheet, and it shall be his duty to examine the same with the accounts and vouchers relating thereto.

82. Every auditor shall have a list delivered to him of all books kept by the Company, and he shall at all reasonable times have access to the books and accounts of the Company; he may, at the expense of the Company, employ accountants or other persons to assist him in investigating such accounts, and he may in relation to such accounts examine the directors or any other officer of the Company.

83. The auditors shall make a report to the shareholders upon the balance-sheet and accounts; and in every such report they shall state whether, in their opinion, the balance-sheet is a full and fair balance-sheet, containing the particulars required by these regulations, and properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs; and in case they have called for explanations or information from the directors, whether such explanations or information have been given by the directors, and whether they have been satisfactory; and such report shall be read, together with the report of the directors, at the ordinary meeting.

(Appendix I.—Table B in Schedule to Act XIX of 1857.)

Notices.

84. Notices requiring to be served by the Company upon the shareholders may be served either personally, or by leaving the same, or sending them through the post in a letter addressed to the shareholders, at their registered places of abode.

85. All notices directed to be given to the shareholders shall, with respect to any share to which persons are jointly entitled, be given to whichever of the said persons is named first in the register of shareholders; and notice so given shall be sufficient notice to all the proprietors of such share.

(Appendix I.—Table B in Schedule to Act XIX of 1857.)

FORM OF BALANCE-SHEET

Dr. *Balance-Sheet* of the* *Company made up to*

CAPITAL AND LIABILITIES.

			Rs. a p	Rs. a p
		SHOWING—		
I.—CAPITAL	1	The total amount received for the shareholders; showing also— (*a*) The number of shares . (*b*) The amount paid per shares . . . . . (*c*) If any arrears of calls, the nature of the arear, and the names of the defaulters. (Any arrears due from any director or officer of the Company to be separately stated.) (*d*) The particulars of any forfeited shares . .		
		SHOWING—		
II.—DEBTS AND LIABILITIES OF THE COMPANY.	2	The amount of loans on mortgage or debenture bonds . .		
	3	The amount of debts owing by the Company, distinguishing— (*a*) Debts for which acceptances have been given (*b*) Debts to tradesmen for supplies of stock-in-trade or other articles (*c*) Debts or law expenses . (*d*) Debts for interest on debentures or other loans . . . . . (*e*) Unclaimed dividends . . (*f*) Debts not enumerated above		
		SHOWING—		
VI.—RESERVE FUND.		The amount set aside from profits to meet contingencies . . .		
		SHOWING—		
VII.—PROFIT AND LOSS.		The disposable balance for payment of dividend, etc. . . .		
CONTINGENT LIABILITIES.		Claims against the Company not acknowledged as debts . . .	———	———
		Moneys for which the Company is contingently liable . . .	———	———

*See clauses 71 and 72 of the foregoing Table B.

(Appendix I.—Table B in Schedule to Act XIX of 1857.)

REFERRED TO IN TABLE B.

18 . *Cr.*

PROPERTY AND ASSETS.

		SHOWING—	Rs a.p	Rs. a.p.
III.—PROPERTY HELD BY THE COMPANY.	4	Immoveable property, distinguishing— (*a*) Land (describing tenure) (*b*) Buildings		
	5	Moveable property, distinguishing— (*c*) Stock-in-trade . . . (*d*) Plant . . . . . (The cost to be stated with deduction for deterioration in value as charged to the Reserve Fund or Profit and Loss.)		
		SHOWING—		
IV.—DEBTS OWING TO THE COMPANY.	6	Debts considered good for which the Company hold bills or other securities		
	7	Debts considered good for which the Company hold no security		
	8	Debts considered doubtful and bad . . . . . (Any debt due from a director or other officer of the Company to be separately stated.)		
		SHOWING—		
V.—CASH AND INVESTMENT.	9	The nature of investment and rate of interest		
	10	The amount of cash, where lodged, and if bearing interest		

ACT NO. XIX OF 1930.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 4th April, 1930.)

An Act further to amend the Indian Companies Act, 1913, for certain purposes.

VII of 1913.

Whereas it is expedient further to amend the Indian Companies Act, 1913, for the purposes hereinafter appearing, it is hereby enacted as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Indian Companies (Amendment)* Act, 1930.

(*2*) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint.

VII of 1913. Amendment of section 144. Act VII of 1913.

2. In section 144 of the Indian Companies Act, 1913,—

(*a*) in sub-section (*1*),—

(*i*) for the words "Local Government" the words "Governor General in Council" shall be substituted; and

(*ii*) for the proviso the following proviso shall be substituted, namely.—

> 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; and

(*b*) for sub-section (*2*) the following sub-sections shall be substituted, namely:—

(*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.

(*2A*) 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 candi-

* Substituted by Indian Companies (supplementary Amendment) Act 1 of 1932.

dates 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.

(*2B*) 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."

Certificates granted before the commencement of this Act.

3. (*1*) All certificates granted by Local Governments before the commencement of this Act entitling the holders, and all declarations made before the commencement of this Act by the Governor General in Council entitling the members of any specified institution or association, to be appointed and to act as auditors of companies throughout British India shall be deemed to be cancelled on the expiry of one year from the commencement of this Act:

Provided that the Governor General in Council may direct that any such certificate or declaration shall remain in force for a further period not exceeding one year:

Provided further that any person who—

(*a*) was entitled immediately before the commencement of this Act by reason of any such certificate or declaration to be appointed and to act as an auditor of companies throughout British India, and

(*b*) has at any time, after he became so entitled and before the commencement of this Act, resided in India,

shall, if he possesses such qualifications as to good character and on payment of such fee as may be prescribed under clause (*b*) of sub-section (*2A*) of section 144 of the Indian Companies Act, 1913, be entitled to be enrolled on the Register of Accountants referred to in that sub-section.

VII of 1913.

(2) Persons holding restricted certificates granted by Local Governments before the commencement of this Act entitling them to act as auditors within a province may continue so to act, on such conditions as may be prescribed by the Governor General in Council in rules made by notification in the Gazette of India and after previous publication.

ACT NO. I OF 1932.

[PASSED BY THE INDIAN LEGISLATURE]

(Received the assent of the Governor General on the 5th March, 1932.)

An Act to amend the Indian Companies (Amendment) Act, 1930, for a certain purpose.

XIX of 1930.

Whereas it is expedient to amend the Indian companies (Amendment) Act, 1930, for the purpose hereinafter appearing; It is hereby enacted as follows:—

Short title.

1. This Act may be called the Indian Companies (Supplementary Amendment) Act, 1932.

Amendment of section 2. Act XIX of 1930.

2. In the proviso substituted by sub-clause (*ii*) of clause (*a*) of section 2 of the Indian Companies (Amendment) Act, 1930, for the words "whereof the partners all," the words "whereof all the partners practising in India" shall be substituted.

(Appendix II.—Table A in the First Schedule to Act VI of 1882.)

APPENDIX II.

(Table A in the First Schedule to Act VI of 1882.)†

REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED BY SHARES.

Shares.

(1) If several persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividend payable in respect of such share.

(2) Every member shall, on payment of eight annas or such less sum as the Company in general meeting may prescribe, 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.

(3) If such certificate is worn out or lost, it may be renewed on payment of eight annas or such less sum as the Company in general meeting may prescribe.

Calls on Shares.

(4) The directors may from time to time make such calls upon the members in respect of all moneys unpaid on their shares as they think fit, provided that twenty-one days' notice at least is given of each call; and each member shall be liable to pay the amount of calls so made to the persons and at the times and places appointed by the directors.

(5) A call shall be deemed to have been made at the time when the resolution of the directors authorising such call was passed.

(6) If the call payable in respect of any share is not paid before or on the day appointed for payment thereof, the holder for the time being of such share shall be liable to pay interest for the same at the rate of five per cent. per annum from the day appointed for the payment thereof to the time of the actual payment.

(7) The directors may, if they think fit, receive, from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for; and, upon the moneys so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the member paying such sum in advance and the directors agree upon.

Transfers of Shares.

(8) The instrument of transfer of any share in the Company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain a holder of such share until the name of the transferee is entered in the register book in respect thereof.

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†*See* section 290 (1) (*c*) of the Indian Companies Act, 1913 (7 of 1913).

The Table is reproduced here as an Appendix for convenience of reference.

(Appendix II.—Table A in the First Schedule to Act VI of 1882.)

(9) Shares in the Company shall be transferred in the following form:

I, A B of , in consideration of the sum of rupees paid to me by C D of , do hereby transfer to the said C D the share (or shares) numbered standing in my name in the books of the Company, to hold unto the said C D, 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 C D, do hereby agree to take the said share (or shares) subject to the same conditions. As witness our hands the day of .

(10) The Company may decline to register any transfer of shares made by a member who is indebted to them.

(11) The transfer books shall be closed during the fourteen days immediately preceding the ordinary general meeting in each year.

Transmission of Shares.

(12) The executors or administrators of a deceased member shall be the only persons recognized by the Company as having any title to his share.

(13) Any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member, or in consequence of the marriage of any female member, may be registered as a member upon such evidence being produced as may, from time to time, be required by the Company.

(14) Any person who has become entitled to a share in consequence of the death, bankruptcy or insolvency of any member, or in consequence of the marriage of any female member, may, instead of being registered himself, elect to have some person to be named by him registered as a transferee of such share.

(15) The person so becoming entitled shall testify such election by executing to his nominee an instrument of transfer of such share.

(16) The instrument of transfer shall be presented to the Company, together with such evidence as the directors may require to prove the title of the transferee, and thereupon the Company shall register the transferee as a member.

Forfeiture of Share.

(17) If any member fails to pay any call on the day appointed for payment thereof, the directors may, at any time thereafter, during such time as the call remains unpaid, serve a notice on him requiring him to pay such call together with interest and any expenses that may have accrued by reason of such non-payment.

(18) The notice shall name a further day on or before which such call and all interest and expenses that have accrued by reason of such non-payment are to be paid. It shall also name the place where payment is to be made, the place so named being either the registered office of the Company or some other place at which calls of the Company are usually made payable. The notice shall also state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made will be liable to be forfeited.

(19) If the requisitions of any such notice as aforesaid are not complied with, any share in respect of which such notice has

(Appendix II.—Table A in the First Schedule to Act VI of 1882.)

been given may at any time thereafter, before payment of all calls, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the directors to that effect.

(20) Any share so forfeited shall be deemed to be the property of the Company and may be disposed of in such manner as the Company in general meeting thinks fit.

(21) Any member whose shares have been forfeited shall notwithstanding be liable to pay to the Company all calls owing upon such shares at the time of the forfeiture.

(22) A solemn declaration in writing, made before a Magistrate, that the call in respect of a share was made and notice thereof given, and that default in payment of the call was made and that the forfeiture of the share was made by a resolution of the directors to that effect, shall be sufficient evidence of the facts therein stated as against all persons entitled to such share, and such declaration and the receipt of the company for the price of such share shall constitute a good title to such share, and a certificate of proprietorship shall be delivered to the purchaser, and thereupon he shall be deemed the holder of such share discharged from all calls due prior to such purchase, and he shall not be bound to see to the application of the purchase-money, nor shall his title to such share be affected by any irregularity in the proceedings in reference to such sale

Conversion of Shares into Stock.

(23) The directors may, with the sanction of the Company previously given in general meeting, convert any paid-up shares into stock.

(24) When any shares have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interest, in the same manner and subject to the same regulations as and subject to which any shares in the capital of the Company may be transferred, or as near thereto as circumstances admit.

(25) The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to the amount of their respective interests in such stock; and such interests shall, in proportion to the amount thereof, confer on the holders thereof, respectively, the same privileges and advantages for the purpose of voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company; but so that none of such privileges or advantages, except the participation in the dividends and profits of the Company, shall be conferred by any such aliquot part of the consolidated stock as would not, if existing in shares, have conferred such privileges, or advantages.

Increase in Capital.

(26) The directors may, with the sanction of a special resolution of the Company previously given in general meeting, increase its capital by the issue of new shares; such aggregate increase to be of such amount, and to be divided into shares of such respective amounts, as the company in general meeting directs, or, if no direction is given, as the directors think expedient.

(27) Subject to any direction to the contrary that may be

given by the meeting that sanctions the increase of capital, all new shares shall be offered to the members in proportion to the existing shares held by them, 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 the 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.

(28) Any capital raised by the creation of new shares shall be considered as part of the original capital, and, shall be subject to the same provisions, with reference to the payment of calls, and the forfeiture of shares on non-payment of calls, or otherwise, as if it had been part of the original capital.

General Meetings.

(29) The first general meeting shall be held at such time, not being more than six months after the registration of the Company, and at such place as the directors may determine.

(30) Subsequent general meetings shall be held, once at the least in every year, at such time and place as may be prescribed by the Company in general meeting; and if not other time or place is prescribed, a general meeting shall be held on the first Monday in February in every year, at such place as may be determined by the directors.

(31) The above-mentioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

(32) The directors may, whenever they think fit, and they shall, upon a requisition made in writing by not less than one-fifth in number of the members of the Company, convene an extraordinary general meeting.

(33) Any requisition made by the members shall express the object of the meeting proposed to be called, and shall be left at the registered office of the Company.

(34) Upon the receipt of such requisition the directors shall forthwith proceed to convene an extraordinary general meeting. If they do not proceed to convene the same within twenty-one days from the date of the requisition, the requisitionists, or any other members amounting to the required number, may themselves convene an extraordinary general meeting.

Proceedings at General Meeting.

(35) Seven 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 such 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 notice by any member shall not invalidate the proceedings at any general meeting.

(36) 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, and the con-

(Appendix II.—Table A in the First Schedule to Act VI of 1882.)

sideration of the accounts, balance-sheets and the ordinary report of the directors.

(37) No business shall be transacted at any general meeting except the declaration of a dividend, unless a quorum of members is present at the time when the meeting proceeds to business. Such quorum shall be ascertained as follows, that is to say:—If the persons who have taken shares in 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 up to fifty, and one for every ten additional members after fifty, with this limitation that no quorum shall in any case exceed twenty.

(38) If, within one hour from the time appointed for the meeting, a quorum is not present, the meeting, if convened 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 such adjourned meeting, a quorum is not present, it shall be adjourned *sine die*

(39) The chairman (if any) of the board of directors shall preside as chairman at every general meeting of the Company.

(40) If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose some one of their number to be chairman.

(41) The chairman may, with the consent of the meeting, adjourn any 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.

(42) At any general meeting, unless a poll is demanded by at least five 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 sufficient evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

(43) If a poll is demanded by five or more members, it shall be taken in such manner as the chairman directs, and the result of such poll shall be deemed to be the resolution of the Company in general meeting. In the case of an equality of votes at any general meeting, the chairman shall be entitled to a second or casting vote.

Votes of Members

(44) Every member shall have one vote for every share up to ten. He shall have an additional vote for every five shares beyond the first ten shares up to one hundred, and an additional vote for every ten shares beyond the first hundred shares.

(45) If any member is a lunatic or idiot, he may vote by his committee or other legal curator and, if any member is a minor, he may vote by his guardian or any one of his guardians if more than one.

(46) If one or more persons are jointly entitled to a share or shares, the member whose name stands first in the register of members as one of the holders of such share or shares, and no other, shall be entitled to vote in respect of the same.

(Appendix II.—Table A in the First Schedule to Act VI of 1882.)

(47) No member shall be entitled to vote at any general meeting unless all calls due from him have been paid, and no member shall be entitled to vote in respect of any share that he has acquired by transfer, at any meeting held after the expiration of three months from the registration of the Company, unless he has been possessed of the share in respect of which he claims to vote for at least three months previously to the time of holding the meeting at which he proposes to vote.

(48) Votes may be given neither personally or by proxy.

(49) The instrument appointing a proxy shall be in writing, under the hand of the appointor, or, if such appointer is a corporation, under their common seal, and shall be attested by one or more witness or witnesses. No person shall be appointed a proxy who is not a member of the Company.

(50) The instrument appointing a proxy 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 such instrument proposes to vote; but no instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

(51) Any instrument appointing a proxy shall be in the following form:—

Company, Limited.

I, ,of , being a member of the Company, Limited, and entitled to vote or votes, 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 (*or* at any meeting of the Company that may be held in the year).

As witness my hand, this day of

Signed by the said in the presence of

Directors.

(52) The number of the directors, and the names of the first directors, shall be determined by the subscribers of the memorandum of association.

(53) Until directors are appointed, the subscribers of the memorandum of association shall be deemed to be directors.

(54) The future remuneration of the directors, and their remuneration for services performed previously to the first general meeting, shall be determined by the Company in general meeting.

Powers of Directors.

(55) 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 foregoing Act, or by these articles required to be exercised by the Company in general meeting subject nevertheless to any regulations of these articles, to the provisions of the foregoing 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

(Appendix II.—Table A in the First Schedule to Act VI of 1882.)

Company in general meeting shall invalidate any prior act of the directors which would have been valid if such regulation had not been made.

(56) The continuing directors may act notwithstanding any vacancy in their body.

Disqualification of Directors.

(57) The office of director shall be vacated—

if he, or any partner of his, or the firm of which he is a member, holds any other office or place of profit under the Company;

if he becomes bankrupt or insolvent;

if he is punished under any of the penal provisions of the foregoing Act;

if he is concerned in or participates in the profits of any contract with the Company.

But the above rules shall be subject to the following exceptions:—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; nevertheless, he shall not vote in respect of such contract or work, and, if he does so vote, his vote shall not be counted.

Rotation of Directors.

(58) At the first ordinary meeting after the registration of the company the whole of the directors shall retire from office; and at the first ordinary meeting in every subsequent year one-third of the directors for the time being, or, if their number is not a multiple of three, then the number nearest to one-third, shall retire from office.

(59) The one-third or other nearest number to retire during the first and second years ensuing the first ordinary meeting of the Company, shall, unless the directors agree among themselves, be determined by ballot. In every subsequent year, the one-third or other nearest number who have been longest in office shall retire.

(60) A retiring director shall be re-eligible.

(61) The Company at the general meeting at which any directors retire in manner aforesaid shall fill up the vacated offices by electing a like number of persons

(62) If at any meeting at which an election of directors ought to take place the places of the vacating 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 such adjourned meeting the places of the vacating directors are not filled up, the vacating directors, or such of them as have not had their places filled up, shall continue in office until the ordinary meeting in the next year, and so on from time to time until their places are filled up.

(63) The Company may from time to time, in general meeting, increase or reduce the number of directors, and may also determine in what rotation such increased or reduced number is to go out of office.

(Appendix II.—Table A in the First Schedule to Act VI of 1882.)

(64) Any casual vacancy occurring in the board of directors may be filled up by the directors, but any person so chosen shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred.

(65) The Company in general meeting may by a special resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead. The person so appointed shall hold office during such time only as the director in whose place he is appointed would have held the same if he had not been removed.

Proceedings of Directors.

(66) The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Questions arising at any meeting shall be decided by a majority of votes.

In case of an equality of votes, the chairman shall have a second or casting vote A director may at any time summon a meeting of the directors.

(67) The directors may elect a chairman of their meetings, 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 at the time appointed for holding the same, the directors present shall choose some one of their number to be chairman of such meeting.

(68) The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committees so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the directors.

(69) A committee may elect a chairman of its meetings. If no such chairman is elected, or if he is not present at the time appointed for holding the same, the members present shall choose one of their number to be chairman of such meeting.

(70) A committee may meet and adjourn as it thinks 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.

(71) 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 of 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.

Dividends.

(72) The directors may, with the sanction of the Company in general meeting, declare a dividend to be paid to the members in proportion to their shares.

(Appendix II.—Table A in the First Schedule to Act VI of 1882.)

(73) No dividend shall be payable except out of the profits arising from the business of the Company.

(74) The directors may, before recommending any dividend, set aside out of the profits of the Company such sum as they think proper as a reserve fund to meet contingencies or for equalizing dividends, or for repairing or maintaining the words connected with the business of the Company or any part thereof; and the directors may invest the sum so set apart as a reserve fund upon such securities as they may select.

(75) The directors may deduct from the dividends payable to any member all such sums of money as may be due from him to the Company on account of calls or otherwise.

(76) Notice of any dividend that may have been declared shall be given to each member in manner hereinafter mentioned; and all dividends unclaimed for three years after having been declared may be forfeited by the directors for the benefit of the Company.

(77) No dividend shall bear interest as against the Company.

Accounts

(78) The directors shall cause true accounts to be kept—
of the stock in trade of the Company;
of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place; and
of the credits and liabilities of the Company.

The books of account shall be kept at the registered office of the Company, and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed by the Company in general meetings, shall be open to the inspection of the members during the hours of business.

(79) Once at the least in every year the directors shall lay before the Company in general meeting a statement of the income and expenditure for the past year, made up to a date not more than three months before such meeting.

(80) The statement so made 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.

(81) A balance-sheet shall be made out in every year and laid before the Company in general meeting, and such balance-sheet shall contain a summary of the property and liabilities of the Company arranged under the heads appearing in the form annexed to this table, or as near thereto as circumstances admit.

(Appendix II.—Table A in the First Schedule to Act VI of 1882.)

(82) A printed copy of such balance-sheet shall, seven days previously to such meeting, be served on every member in the manner in which notices are hereinafter directed to be served.

Audit.

(83) Once at the least in every year the accounts of the Company shall be examined, and the correctness of the balance-sheet ascertained by one or more auditor or auditors.

(84) The first auditors shall be appointed by the directors; subsequent auditors shall be appointed by the Company in general meeting.

(85) If one auditor only is appointed, all the provisions herein contained relating to auditors shall apply to him.

(86) The auditors may be members of the Company, but no person is eligible as an auditor who is interested otherwise than as a member in any transaction of the Company, and no director or other officer of the Company is eligible during his continuance in office.

(87) The election of auditors shall be made by the Company at their ordinary meeting in each year.

(88) The remuneration of the first auditors shall be fixed by the directors; that of subsequent auditors shall be fixed by the Company in general meeting.

(89) Any auditor shall be re-eligible on his quitting office.

(90) If any casual vacancy occurs in the office of any auditor appointed by the Company, the directors shall forthwith call an extraordinary general meeting for the purpose of supplying the same.

(91) If no election of auditors is made in manner aforesaid, the Local Government may, on the application of not less than five members of the Company, appoint an auditor for the current year and fix the remuneration to be paid to him by the Company for his services.

(92) Every auditor shall be supplied with a copy of the balance-sheet, and it shall be his duty to examine the same with the accounts and vouchers relating thereto.

(93) Every auditor shall have a list delivered to him of all books kept by the Company, and shall at all reasonable times have access to books and accounts of the Company. He may, at the expense of the Company, employ accountants or other persons to assist him in investigating such accounts, and he may, in relation to such accounts, examine the directors or any other officer of the Company.

(94) The auditors shall make a report to the members upon the balance-sheet and accounts, and in such report they shall state whether, in their opinion, the balance-sheet is a full and fair balance-sheet, containing the particulars required by these regulations and properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, and, in case they have called for explanations or information from the directors, whether such explanations or information have or has been given by the directors, and whether they or it have or has been satisfactory. Such report shall be read, together with the report of the directors, at the ordinary meeting.

(Appendix II.—Table A in the First Schedule to Act VI of 1882.)

Notices.

(95) A notice may be served by the Company upon any member either personally or by sending it through the post in a letter addressed to such member at his registered place of abode.

(96) All notices directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the register of members; and notice so given shall be sufficient notice to all the holders of such share.

(97) Any notice, if served by post, shall be deemed to have been served at the time when the letter containing the same would be delivered in the ordinary course of the post; and, in proving such service, it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office.

(Appendix II.—Table A in the First Schedule to Act VI of 1882.)

FORM OF BALANCE-SHEET

Dr. *Balance-sheet* of the*

CAPITAL AND LIABILITIES.

		SHOWING—	Rs.
I.—CAPITAL . .	1	The number of shares . . .	
	2	The amount paid per share . .	
	3	If any arrears of calls, the nature of the arrears and the names of the defaulters	
	4	The particulars of any forfeited shares	
		SHOWING—	
II.—DEBTS AND LIABILITIES OF THE COMPANY.	5	The amount of loans or mortgages or debenture bonds . .	
	6	The amount of debts owing by the Company—distinguishing—	
		(*a*) Debts for which acceptances have been given	
		(*b*) Debts to tradesmen for supplies of stock-in-trade or other articles.	
		(*c*) Debts for law expenses .	
		(*d*) Debts for interest on debentures or other loans	
		(*e*) Unclaimed dividends . .	
		(*f*) Debts not enumerated above.	
		SHOWING—	
VI.—RESERVE FUND.		The amount set aside from profits to meet contingencies .	
		SHOWING—	
VII.—PROFIT AND LOSS.		The disposable balance for payment of dividends, etc. . . .	
CONTINGENT LIABILITIES.		Claims against the Company not acknowledged as debts . . .	
		Moneys for which the Company is contingently liable . . .	

**See* clauses 81 and 82 of the foregoing Table A.

REFERRED TO IN TABLE A.

Company made up to 18 . *Cr.*

PROPERTY AND ASSETS.

			Rs.	As.
		SHOWING—		
III.—PROPERTY HELD BY THE COMPANY.	7	Immoveable property—distinguishing—		
		(*a*) Freehold land . . .		
		(*b*) „ buildings . .		
		(*c*) Leasehold		
	8	Moveable property—distinguishing—		
		(*d*) Stock-in-trade . . .		
		(*e*) Plant		
		The cost to be stated with deductions for deterioration in value as charged to the reserve fund or profit and loss		
		SHOWING—		
IV.—DEBTS OWING TO THE COMPANY.	9	Debts considered good for which the Company hold bills or other securities		
	10	*Debts considered good for which* the Company hold no security .		
	11	Debts considered doubtful and bad		
		Any debt due from a Director or other officer of the Company to be separately stated		
		SHOWING—		
V.—CASH AND INVESTMENTS.	12	The nature of investment and rate of interest		
	13	The amount of cash, where lodged and if bearing interest .		

APPENDIX C

(Continued)

SECTION II

INDIAN COMPANIES ACT, 1913.

AUDITOR'S CERTIFICATES RULES, 1932.

Department of Commerce. Notification dated New Delhi, the 26th March, 1932.

REGISTRATION OF ACCOUNTANTS.

No. 213 (11)-T. & E.-(A. B.).—In exercise of the powers conferred by sub-section (2) of section 144 of the Indian Companies Act, 1913 (VII of 1913), the Governor General in Council is pleased to make the following rules, the same having been previously published as required by the said sub-section, namely:—

1. These rules may be called the Auditor's Certificates Rules, 1932.

2. In these rules, unless there is anything repugnant in the subject or context —

(*a*) "Approved Accountant" means an accountant approved by the Governor General in Council for the purpose of taking articled clerks.

(*b*) "Auditor's Certificate" means a certificate granted under these rules entitling the holder to act as an auditor of companies throughout British India.

(*c*) "Graduate" means a graduate of a University constituted by law in British India or of the University of Mysore or of the Osmania University, or of a University in Great Britain and Northern Ireland.

(*d*) "The Register" means the Register of Accountants.

PART I.

MAINTENANCE OF AND ENROLMENT ON THE REGISTER.

3. The Governor General in Council shall maintain a Register of Accountants who shall be entitled to apply for certificates to practise as auditors of companies throughout British India. The name, usual address and qualifications of every such accountant shall be entered in the Register with the date on which an auditor's certificate, if any, was granted to him.

4. A person shall not be eligible for enrolment on the Register if he:—

(1) has been adjudged by a competent court to be of unsound mind;

(2) is an undischarged insolvent;

(3) being a discharged insolvent has not obtained from the court a certificate that his insolvency was caused by misfortune without any misconduct on his part;

(4) has been convicted by a competent court of any offence which is punishable under the Indian Penal Code and

is under the provisions of the Code of Criminal Procedure, 1898, non-bailable; or

(5) having previously practised as a public accountant is considered by the Governor General in Council not to be a fit and proper person to be enrolled on the Register by reason of any act of negligence, misconduct or dishonesty committed in his professional capacity.

5. Subject to the provisions of Rule 4 and Rule 9, a person holding the Government Diploma in Accountancy, awarded on the recommendation of the Accountancy Diploma Board, Bombay, shall be entitled to be enrolled on the Register and may apply for enrolment on the Register at any time.

6. No person other than a person entitled to be enrolled on the Register shall be eligible for enrolment unless he has attained the age of twenty-one and has satisfied either—

(*a*) the tests prescribed in Part II of these rules, or

(*b*) a test recognised by the Governor General in Council as equivalent to the tests referred to in clause (*a*).

7. For the purposes of clause (*b*) of Rule 6, membership of any one of the following institutes and societies shall be recognised as equivalent to the tests prescribed in Part II:—

(1) The Institute of Chartered Accountants in England and Wales;
(2) The Society of Incorporated Accountants and Auditors, London;
(3) The Society of Accountants in Edinburgh;
(4) The Institute of Accountants and Actuaries in Glasgow;
(5) The Society of Accountants in Aberdeen; and
(6) The Institute of Chartered Accountants in Ireland.

8. During a period not exceeding two years after the commencement of these rules, applicants for enrolment on the Register who are not entitled to enrolment under the second proviso to section 3 (1) of the Indian Companies (Amendment) Act, 1930, or under Rule 5, and who are not eligible for enrolment under Rule 6, will be required to satisfy the Governor General in Council that they are fit and proper persons for enrolment and have resided for not less than twelve months in India after attaining the age of eighteen.

9. (1) Every person enrolled on the Register shall pay an annual fee of Rs. 32. The annual fee shall be due and payable on the 1st April in each year.

(2) Every person, whose application for enrolment on the Register has been accepted shall before enrolment pay (*a*) an entrance fee of Rs. 150, and (*b*) a sum equivalent to the annual fee. Provided that the full amount of the entrance fee and half the amount of the annual fee shall be payable before enrolment by a person enrolled on or after the 1st October and before the 1st April next following.

10. (1) Every person wishing to be enrolled on the Register shall submit an application to the Secretary to the Government of India, Department of Commerce, in Form A (Appendix I).

(2) The applicant shall furnish such further information bearing on his application as the Governor General in Council may at any time require from him.

11. If the application is accepted by the Governor General in Council, an intimation to that effect shall be sent to the applicant along with a request for payment of the prescribed fees. On receipt of the prescribed fees, the applicant's name shall be enrolled on the Register and a certificate of enrolment in Form B (Appendix 1) issued to him.

12. A person enrolled on the Register shall be entitled to style himself "Registered Accountant" and to use the letters "R. A." after his name as long as his name continues to appear on the Register. A firm shall not be entitled to style itself "Registered Accountants" unless all of its partners practising in India are enrolled on the Register.

13. Every person enrolled on the Register may apply to the Governor General in Council for a certificate entitling him to act as an auditor of companies throughout British India. The certificate shall be in Form C (Appendix I) and shall be valid until the 31st March next following. No fee shall be payable for a certificate. Every application for the grant of a certificate shall be addressed to the Secretary to the Government of India in the Department of Commerce. No application shall be necessary for the renewal of a certificate, but a fresh certificate valid for the succeeding twelve months shall be sent to each accountant to whom a certificate has previously been granted and whose certificate is still valid provided that he remains enrolled on the Register and has paid the annual fee due under Rule 9.

14. (1) The Governor General in Council may remove permanently or temporarily from the Register the name of any person—

(*a*) from whom the annual fee has not been received on the expiry of three months from the date on which it became due;

(*b*) who becomes subject to any of the disabilities stated in sub-rules (1), (2), (3) and (4) of Rule 4; or

(*c*) whom the Governor General in Council has declared not to be a fit and proper person to remain enrolled on the Register by reason of any act of negligence, misconduct or dishonesty committed in his professional capacity, provided that before making such declaration the Governor General in Council shall call upon the person concerned to show cause why his certificate should not be cancelled, and shall make such further inquiry, if any, as he may consider necessary.

(2) The removal of the name of any person from the Register shall be notified in the *Gazette of India* and shall be communicated to the person concerned.

15. An auditor's certificate shall be deemed to be cancelled from the date on which, and during the period for which, the name of its holder is removed from the Register.

16. The Governor General in Council may at any time restore the name of a person removed from the Register under Rule 14 (1) (*a*) on receipt of all arrears on account of the annual fee from the applicant for restoration. The restoration of a name to the Register under this rule shall be notified in the *Gazette of India* and shall be communicated to the person concerned.

17. The fees prescribed by these rules shall be paid into any branch of the Imperial Bank of India or into any Government Treasury.

18. The Register shall be published annually in the *Gazette of India* and copies of the Register shall be placed on sale.

PART II.

THEORETICAL TRAINING, EXAMINATION AND PRACTICAL TRAINING.

19. Except as otherwise expressly provided in these rules, persons wishing to qualify themselves for enrolment on the Register shall be required to pass the First and Final Examinations prescribed and to serve under articles with an Approved Accountant for the periods and in the manner laid down in these rules.

20. A person who has before the 31st December, 1934 passed the examination for the Government Diploma in Accountancy or an examination recognised as equivalent thereto by the rules for the award of the Government Diploma in Accountancy shall not be required to pass either the First or the Final Examination.

21. A person who

(*a*) has obtained the degree of Bachelor of Commerce of a University constituted by law in British India or of the University of Mysore or of the Osmania University or of a University in Great Britain and Northern Ireland, with Advanced Accounting as an optional subject, or

(*b*) has held for a period of not less than seven years prior to the date of commencement of the Final Examination a restricted certificate granted by a local Government entitling him to act as an auditor within a province,

shall not be required to pass the First Examination.

FIRST EXAMINATION

22. No candidate shall be admitted to the First Examination unless he—

(*a*) is a graduate, or

(*b*) has passed an examination entitling him to enter upon a course of studies at a University constituted by law in British India or the University of Mysore or the Osmania University or an examination recognised by the Governor General in Council as equivalent thereto and produces a certificate from the head of an institution recognised for the purpose by the Governor General in Council that he has, subsequently to passing such examination, *studied for a period of one academic year at such an institution and is fit to present himself for the examination.* Provided that for a period of twelve months after the commencement of these rules a certificate of attendance for one academic year at an institution recognised by the Accountancy Diploma Board, Bombay, shall be accepted as equivalent to the certificate referred to in this rule, or

(*c*) produces a certificate that he has served for not less than seven years as an audit clerk in the office of an Approved Accountant.

23. Every candidate for admission to the First Examination shall pay a fee of Rs. 30.

24. Candidates for the First Examination will be examined in the subjects comprised in the following two Groups and every candidate will be required to pass simultaneously in both Groups.

Group I—*Accountancy and Auditing.*—(Two papers of three hours each).

Paper (i) *Book-keeping.*—Short methods of calculation; Theory and practice of Single and Double Entry Book-keeping including the preparation of Production, Trading and Profit and Loss Accounts and Balance Sheets.

Paper (ii) *Accountancy and Auditing.*—Consignment and Joint Accounts; Partnership and Company Accounts; Departmental and Branch Accounts and General Principles of Auditing.

Group II—*Mercantile Law Company Law and General Commercial Knowledge.*—(Two papers of three hours each).

Paper (i) *Mercantile Law and Company Law.*—Law relating to Contracts, Sale of Goods, Partnership; and Elements of Company Law.

Paper (ii) *General Commercial Knowledge.*—Charter Parties; Bills of Lading; Fire and Marine Insurance; Bills; Cheques; Documents of Title to Goods; Stocks, Shares and other securities; Commercial Correspondence and Elements of Secretarial Practice.

The above particulars are intended as a general guide to questions which may be asked in each paper.

FINAL EXAMINATION.

25. No candidate shall be admitted to the Final Examination unless he

(*a*) has either passed the First Examination or is exempted by Rule 21 from passing that examination; and

(*b*) has either completed the period of service under articles prescribed by Rule 36 or is serving the last twelve months of the said period.

Provided that in the case of every candidate an interval of not less than eleven months shall have elapsed between the date of his passing the First Examination and the commencement of the Final Examination.

26. Every candidate for admission to the Final Examination shall pay a fee of Rs. 50.

27. Candidates for the Final Examination will be examined in the subjects comprised in the following two Groups and every candidate will be required to pass in both Groups. A candidate who passes the examination in only one Group shall not be required on the next occasion on which he presents himself for the examination to sit for the Group in which he has passed. If he then fails to pass in the remaining Group he shall be required to pass in both Groups when he next sits for the examination.

Group I—*Advanced Accounting and Auditing.*—(Three papers of three hours each).

Paper (i) *Advanced Accounting* including knowledge of accounts in connection with floatation, reconstruction, amalgamation and liquidation of companies; Insolvency and Brankruptcy Accounts; Income-tax.

Paper (ii) *Advanced Accounting* including knowledge of Accounts of Banks, Insurance Companies, and Electri-

city Companies; Double Account System; Costing, Stores and Labour Accounts.

Paper (iii) *Auditing.*

Group II—*Mercantile Law, Company Law and Economics.*—(Three papers of three hours each).

Paper (i) *Mercantile Law* including the law relating to Negotiable Instruments; Arbitration and Awards; Insolvency; Rights and Duties of Liquidators, Trustees and Receivers.

Paper (ii) *Company Law* including law relating to special classes of companies and Income-tax law.

Papers (iii) *Economics.*—Elements of, Economics including Currency, Banking and Foreign Exchange.

The above particulars are intended as a general guide to questions which may be asked in each paper.

GENERAL.

28. The examinations shall be conducted in such manner as the Governor General in Council may direct.

29. The First and the Final Examinations will ordinarily be held once in every year in the month of March or April at such places and times as may be notified by the Governor General in Council in the *Gazette of India.*

30. Applications for admission to an examination shall be made on the prescribed form which may be obtained from the Secretary to the Government of India in the Department of Commerce. Every such application together with the prescribed fee shall be sent so as to reach the Government of India between the 1st and 15th of January.

31. No fee paid for admission to an examination shall in any circumstances be refunded. If a candidate who has paid the prescribed fee is subsequently prevented from attending the examination for admission to which he has applied, the Governor General in Council may, if he is satisfied that the candidate was prevented from attending by circumstances beyond his control, permit the fee to be transferred to the next examination.

32. A notice stating the place, dates and times at which the candidate will be required to present himself for examination shall be sent to each candidate to the address given by him in his application so as to reach him not less than fourteen days before the commencement of the examination.

33. If Every candidate passing the First or Final Examination shall be furnished with a certificate to that effect.

34. A list of successful candidates shall be published in the *Gazette of India* in alphabetical order after each examination and shall be sent to each successful candidate. The names of candidates obtaining distinction in the examinations shall be indicated in the list. Candidates shall not be supplied with the number of marks obtained by them in any paper but each unsuccessful candidate shall be informed of the group or groups in which he has failed.

35. If a candidate is found to have resorted to unfair means during the conduct of an examination or to have attempted to in-

fluence an examiner, the Governor General in Council may, on receipt of a report to that effect from any examiner or any person duly authorised to conduct the examination, remove the name of such candidate from the list of those entered for the examination and may direct that a candidate whose name has been so removed shall not be admitted to the next or to any subsequent examination held under these rules.

36. No person shall be eligible for enrolment on the Register under Rule 6(*a*) unless he has served under articles with an Approved Accountant. The periods to be served shall be as follows:—

(*a*) Persons who have before the 31st December, 1934 passed the examination prescribed for the Government Diploma in Accountancy or an examination recognised as equivalent thereto by the Regulations for the award of the Government Diploma in Accountancy .. three years.

(*b*) Graduates .. .. four years.

(*c*) Others .. .. five years.

Provided that the following persons shall not be required to serve any period under articles.—

(i) a person who has held for a period of not less than seven years a restricted certificate granted by a local Government entitling him to act as an auditor within a province;

(ii) a person who has been admitted to the First Examination under clause (*c*) of Rule 22 and who has completed a total period of nine years' service as an audit clerk in the office of an Approved Accountant.

For the purpose of this rule any period of apprenticeship served under the Regulations for the award of the Government Diploma in Accountancy and duly registered with the Accountancy Diploma Board, Bombay, shall be reckoned as service under articles.

APPROVED ACCOUNTANTS AND ARTICLED CLERKS.

37. A list of Approved Accountants shall be maintained by the Governor General in Council. The list shall be published once a year in the *Gazette of India* and copies of the list shall be placed on sale.

38. (1) No person shall be eligible for inclusion in the list of Approved Accountants unless he is enrolled on the Register and is in practice as a public accountant and has been continuously for a period of not less than three years immediately before the date of his application either in practice as a public accountant or employed as a paid assistant to a practising public accountant or partly in such practice and partly so employed.

(2) Applications for inclusion in the list shall be submitted through the local Government of the province in which the candidate has his head office to the Secretary to the Government of India in the Department of Commerce.

The Governor General in Council may require an applicant, who has not been in practice in India as a public accountant for seven years and is not a member of a firm which has been in practice in India as public accountants for that period, to furnish particulars of his practice.

(3) An Approved Accountant shall on ceasing to practise as a

public accountant inform the Secretary to the Government of India in the Department of Commerce of the fact within thirty days from the date on which he ceases to practise.

39. The Governor General in Council may remove from the list of Approved Accountants the name of any person who has ceased to practise as a public accountant or who in his opinion is no longer a fit and proper person to employ articled clerks and such removal shall be notified in the *Gazette of India.*

Provided that before removing name of any person on the ground that he is no longer a fit and proper person to employ articled clerks the Governor General in Council shall call upon the person concerned to show cause why his name should not be removed.

40. (1) Each Approved Accountant may employ not more than three articled clerks at one time and not more than four persons altogether, including apprentices already employed at the commencement of these rules under the regulations for the award of the Government Diploma in Accountancy, provided that an approved accountant employing paid assistants who are enrolled on the Register may employ additional articled clerks in the proportion of one clerk to each such assistant.

(2) An Approved Accountant may, on the death or retirement of a partner in his firm, accept transfer, in accordance with Rule 46, of the articles of any clerk who was employed by such partner at the time of his death or retirement and may continue to employ such clerk for the remainder of his term of service under articles in addition to the number of articled clerks already in his employment at the time of his partner's death or retirement provided that such addition shall not cause the total number of clerks and apprentices in his employment to exceed four.

41. An Approved Accountant shall before accepting a person for service with him under articles satisfy himself by inspection of the relevant certificates that such person—

(*a*) will be not less than sixteen years of age on the date of commencement of his articles, and

(*b*) has passed the Matriculation Examination of a University constituted by law in British India or of the University of Mysore or of the Osmania University, or any other examination entitling him to enter upon a course of studies at any such University or an examination which has been declared by the Governor General in Council to be equivalent thereto.

42. The articles shall be executed in Form D or Form E (Appendix 2), according as the candidate for articled clerkship is of full age or is a minor, and shall be stamped, the articles together with the necessary documentary evidence showing that the conditions laid down in clauses (*a*) and (*b*), of Rule 41 are satisfied, shall be sent to the Secretary to the Government of India in the Department of Commerce for registration so as to reach him within sixty days after the execution of the articles and shall be accompanied by a fee of Rs. 10 and by a statement giving particulars of the name, father's name, residence and age of the articled clerk.

43. A register of articled clerks shall be maintained by the Governor General in Council.

44. No articled clerk shall, during the time of his service as articled clerk, except with the permission of the Governor General in Council, engage in any other business or occupation.

45. In the event of any complaint of misconduct or breach of any of the covenants contained in the articles executed in Form D or Form E referred to in Rule 42 being made against any articled clerk, the Governor General in Council may, if he is satisfied that the complaint is proved, direct the cancellation of the articles, or that any period already served under such articles shall not be reckoned as such service for the purpose of Rule 36. A person whose articles have been cancelled under this rule shall not be retained or taken as an articled clerk by any Approved Accountant.

46. In the event of the name of an employer of an articled clerk being removed from the list of approved accountants or if he ceases to practise, the articles may be transferred to another Approved Accountant and the transfer shall be reported to the Secretary to the Government of India in the Department of Commerce. In the like events or in the event of the death of the employer the articled clerk may enter into fresh articles for the remainder of his term of service. Such fresh articles shall be sent for registration as provided in rule 42 but shall not require the payment of any fee.

47. Articles may by agreement between the articled clerk and his employer be assigned to another employer. Such an assignment shall be subject to the provisions of rule 42 regarding registration and the payment of a fee.

48. Pending the publication of the first list of Approved Accountants and for a period of six months thereafter, an accountant who was permitted immediately before the commencement of these rules to take an apprentice or apprentices for training for the Government Diploma in Accountancy may employ an articled clerk or clerks in accordance with these rules. Provided that, if his name shall not have been included in the list of Approved Accountants, he shall, at the request of an articled clerk employed by him, permit the assignment of the articles of such clerk to an accountant included in the list of Approved Accountants and shall refund to such clerk a proportion of any premium received from him equal to the proportion which the unexpired period of the articles bears to the total period of such articles.

PART III.

The Indian Accountancy Board.

49. The Indian Accountancy Board shall consist of not less than fifteen and not more than twenty members appointed by the Governor General in Council. Two members shall be persons in the service of Government and of the remainder not less than two-thirds shall be professional accountants.

50. One of the members in the service of Government shall be appointed Chairman of the Board by the Governor General in Council and shall have power to depute any other person in the service of Government to act as member and chairman on his behalf.

51. The Secretary to the Board shall be appointed by the Governor General in Council and shall not be a member of the Board.

52. (1) Save as otherwise provided in these rules, a member of the Board other than a member who is in the service of Government shall hold office for three years from the date of his appointment.

(2) A member appointed to fill a casual vacancy shall hold office so long as the member whose place he fills would have been entitled to hold office if the vacancy had not occurred.

53. A member, other than a member who is in the service of Government, may resign his office by letter addressed to the Secretary to the Government of India in the Department of Commerce.

54. (1) Before a member, other than a member who is in the service of Government, leaves India for a period exceeding thirty days—

(*a*) he shall intimate to the Secretary to the Government of India in the Department of Commerce the date of his departure from and the date of his expected return to India, and

(*b*) if he intends to be absent from India for a period longer than six months, he shall tender his resignation or apply for leave of absence. On receipt of such application the Governor General in Council may at his discretion grant leave of absence, or, if he considers it necessary, treat the member's office as vacant and appoint another member thereto.

(2) If any member, other than a member who is in the service of Government, leaves India for a period exceeding thirty days without taking either of the courses mentioned in sub-rule (1) he shall be deemed to have resigned his office with effect from the date of his departure from India.

55. A member, other than a member in the service of Government, shall be deemed to have vacated his seat on the Board—

(*a*) if he becomes subject to any of the disabilities stated in sub-rules (1), (2), (3) and (4) of Rule 4, or

(*b*) if he is absent from two consecutive meetings of the Board without special leave of absence from the Chairman of the Board.

56. The Board shall meet as often as may be required, provided that a meeting shall be held at least once a year. The place of meeting shall be at the headquarters of the Government of India or at such other place as the Chairman may think fit.

57. Twenty-one days at least before any meeting of the Board, notice of the time and place of the intended meeting shall be sent to the usual address of every member of the Board and such notice shall, so far as practicable, contain a statement of the business to be transacted at such a meeting, provided that in cases of urgency an emergent meeting may be summoned at any time by the Chairman who shall inform members of the subject matter for discussion and the reasons for which he considers it to be urgent.

58. The Chairman shall preside at every meeting at which he is

present and, if he is absent, the members present shall elect one of their number to preside over the meeting.

59. No business shall be transacted at a meeting of the Board unless there are present at least eight members.

60. Any question which the Board is required to take into consideration may, if the Chairman so decides, be referred to the members by circulation of the papers. Provided that no business shall be disposed of by circulation unless not less than half the total number of members have expressed their views upon it. All members shall be informed of any decision made as the result of circulation.

61. The Board may appoint committees constituted from among the members to report to the Board in regard to particular matters included within the scope of its functions or to advise and assist the Governor General in Council in regard to any such matter Every such committee shall consist of not less than five members, of which three shall form a quorum.

62. Minutes shall be made of the proceedings of meetings of the Board and of the committees thereof and every minute signed by the Chairman of the meeting to which it relates, or by the Chairman of the next subsequent meeting shall be submitted to the Governor General in Council

63. Members of the Board (other than members who are in the service of Government and are entitled to travelling and daily allowances under the ordinary rules) shall receive a first class fare to and from the place of meeting and a fee of Rs. 50 per diem for each day of absence from their principal places of business. The members resident at the place of meeting shall receive a fee of Rs. 50 for each day on which they attend a meeting

PART IV

Local Accountancy Boards

64. The Governor General in Council may constitute a Local Accountancy Board for any area and may designate the headquarters of each Local Accountancy Board so constituted

65 A Local Accountancy Board shall consist of not less than three and not more than eight members who shall be appointed by the Governor General in Council on the recommendation of the local Government concerned. Provided that, in addition to the members so appointed, a member of the Indian Accountancy Board shall be *ex-officio* a member of the Local Accountancy Board for the area in which he ordinarily resides

66 The Chairman of a Local Accountancy Board shall be a member of the Indian Accountancy Board and shall be appointed by the Governor General in Council.

67 (1) Save as otherwise provided in these rules, a member, other than a member who is in the service of Government or who is a member *ex-officio*, shall hold office for three years from the date of his appointment

(2) A member appointed to fill a casual vacancy shall hold office so long as the member whose place he fills would have been entitled to hold office if the vacancy had not occurred.

68. A member, other than a member who is in the service of Government or who is a member *ex-officio*, may resign his office by letter addressed to the Secretary to the Government of India in the Department of Commerce.

69. (1) Before a member, other than a member who is in the service of Government or who is a member *ex-officio*, leaves India for a period exceeding thirty days,

(*a*) he shall intimate to the Secretary to the Government of India in the Department of Commerce the date of his departure and the date of his expected return to India, and

(*b*) if he intends to be absent from India for a period longer than six months he shall tender his resignation or apply for leave of absence. On receipt of such an application the Governor General in Council may at his discretion grant leave of absence or, if he considers it necessary, treat the member's office as vacant and appoint another member thereto.

(2) If any member to whom sub-rule (1) applies leaves India for a period exceeding thirty days without taking either of the courses mentioned in clause (*b*) of that sub-rule he shall be deemed to have resigned his office with effect from the date of his departure from India.

70. A member, other than a member who is in the service of Government or who is a member *ex-officio*, shall be deemed to have vacated his seat on a Board—

(*a*) if he becomes subject to any of the disabilities stated in sub-rules (1), (2), (3), and (4) of Rule 4, or

(*b*) if he is absent from two consecutive meetings of the Board without special leave of absence from the Board

71. Fourteen days at least before any meeting of the Board notice of the time and place of the intended meeting shall be sent to the usual address of every member of the Board and such notice shall, so far as practicable, contain a statement of the business to be transacted at such a meeting provided that in cases of urgency an emergent meeting may be summoned at any time by the Chairman who shall inform members of the subject-matter for discussion and the reasons for which he considers it to be urgent.

72. The Chairman shall preside at every meeting at which he is present and, if he is absent, the members present shall elect one of their number to preside over the meeting, provided that the Chairman shall be a member of the Indian Accountancy Board if any such member is present at the meeting

73 Every question placed before the Board for decision shall, in the event of a difference of opinion, be decided by a majority of votes, and in case of equality of votes the Chairman shall have a casting vote in addition to his original vote.

74. No business shall be transacted at a meeting unless there are present at least half the total number of members, appointed and *ex-officio*. Provided that, if the total number of such members is less than six, three members shall form a quorum.

75. Any question which the Board is required to take into consideration may, if the Chairman considers it necessary, be referred

to the members by circulation of the papers. Provided that no business shall be disposed of by circulation unless not less than half the total number of members have expressed their views upon it. All members shall be informed of any decision made as the result of circulation.

76. Minutes shall be made of the proceedings of meetings of the Board and every minute signed by the Chairman of the meeting to which it relates, or by the Chairman of the next subsequent meeting, shall be submitted to the Governor General in Council.

77. Members of the Board (other than members who are in the service of Government and are entitled to travelling and daily allowances under the ordinary rules) shall receive a first class fare to and from the place of meeting and a fee of Rs. 30 per diem for each day of absence from their principal places of business. The members resident at the place of meeting shall receive a fee of Rs. 30 for each day on which they attend a meeting.

APPENDIX I

FORM A.

Form of Application for enrolment on the Register of Accountants.

(See Rule 10.)

To

The Secretary to the Government of India.
Department of Commerce.

Simla.
New Delhi.

Sir,

I beg to offer myself for enrolment on the Register of Accountants.

1. Name in full·
2. Father's name
3. Nationality.
4. Age last birthday*
5. Usual address
6. Place or places of business or service.
7. Date of commencement of practice or service:
8. If a partner or assistant, state name of firm and position therein·
9. Period of residence in India:
10. Particulars of qualifications†:
11. Occupation in full
12. State whether at any time debarred from practising as an auditor·

I beg to remain, etc.,

Date

*Applicants may be required to produce evidence of their age.

†Originals or duly certified copies of diplomas, certificates and other documents in support of qualifications claimed must be sent with the application.

FORM B.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE.

Certificate of enrolment on the Register of Accountants

(See Rule 11.)

No.... . .. .

This is to certify that. ... . of in the province of.. . . .. ..was enrolled on this.. . day of 193 , on the Register of Accountant maintained under the authority of the Government of India.

Dated this . .day of .19

By order of the Governor General in Council

Seal

Secretary to the Government of India,
Department of Commerce

FORM C

Auditor's Certificate

(See Rule 13)

This is to certify that . . . of . . is entitled to be appointed and to act as an auditor of companies throughout British India. This certificate is valid until the .. . . .

Dated this . .day of . . 19

By order of the Governor General in Council

Seal

Secretary to the Government of India,
Department of Commerce

APPENDIX 2

FORM D.

(For use when the Articled Clerk is of full age)

(*See* Rule No. 42)

Articles of Apprenticeship made the..... .day of... . One thousand nine hundred and .. ..between.....of. . an approved accountant under the Auditor's Certificates Rules, 1932, ... (hereinafter called the Employer) of the one part and . . .. (hereinafter called the Articled Clerk) of the other part.

Witness as follows that is to say –

1. In consideration of the covenants by the Articled Clerk hereinafter contained and of the premium of Rs.. ....paid by the Articled Clerk (the receipt whereof the Employer doth hereby acknowledge) the Employer agrees take the Articled Clerk as his articled clerk for the term of.. ... ...years from the date of this deed.

2. The Articled Clerk of his own free will binds himself articled clerk to the Employer to serve him from the day of the date hereof for and during and unto the full end and term of years.

3. The Articled Clerk covenants with the Employer as follows.—

(*a*) That he will at all times during the said terms diligently and faithfully serve the Employer as his articled clerk in the practice or profession of accountancy.

(*b*) That he will not at any time during the said term destroy cancel obliterate spoil embezzle spend make away with or take copies of books papers plane documents moneys stamps or chattels of the Employer his personal representatives or assigns or of his partner or partners or of any of his clients or employers which shall be deposited in his hands or which shall come to his care custody or possession or allow any of the said goods to be so treated by others if he can by the exercise of reasonable care prevent it.

(*c*) That he will at all times keep the secrets of the Employer and his partner or partners and of his and their clients and employers and will not divulge the names and affairs of such clients and employers

(*d*) That he will readily and cheerfully obey and execute the lawful and reasonable commands of the Employer and will not depart or absent himself from the service or employ of the Employer at any time during the said term without his consent or that of his partners first obtained but will at all times during the said term conduct himself with all due diligence honesty and propriety

(*e*) That he will at all times well and faithfully serve the Employer as an articled clerk ought to do in all things whatsoever

(*f*) That he will make good and fully indemnify the Employer for any loss or damage suffered or sustained by his the Articled Clerk's misbehaviour or improper conduct.

4. The Employer covenants with the Articled Clerk as follows.—

(*a*) That he will by the best ways and means in his power and to the utmost of his skill and knowledge instruct or cause to be instructed the Articled Clerk and afford him such reasonable opportunities and work as may be required to enable him to acquire the art science and knowledge of accountancy.

(*b*) That he will at the expiration of the said term use his best means and endeavours at the request cost and charges of the Articled Clerk to cause the Articled Clerk to be enrolled on the Register of Accountants pursuant to the Auditor's Certificates Rules, 1932. Provided always that the Articled Clerk shall have well and faithfully served his intended clerkship and shall have passed the required examinations and in all respects properly qualified himself to be enrolled on the said Register.

(*c*) That if the Employer shall die or cease to practise as an accountant or cease to be borne on the list of Approved Accountants maintained under the Auditor's Certificates Rules, 1932, during the said term he or his personal

representatives shall at the option of the Articled Clerk either return a proportionate part of the premium or without any further expense to the Articled Clerk made the necessary arrangements for the completion of the residue of the term as articled clerk to some other.

(*d*) that he will allow the Articled Clerk leave of absence for each year of completed service a period aggregating not more than 30 days.

5. These articles are subject to the Auditor's Certificates Rules, 1932, and may be cancelled under Rule 45 of such Rules.

In Witness whereof the parties have hereunto set their hands and seals the day and year first above written.

Signed Sealed and Delivered
by
in the presence of—
Signed Sealed and Delivered
by
in the presence of

FORM E

(For use when the Articled Clerk is a minor.)

(*See Rule No. 42.*)

Articles of Apprenticeship made the.. . .day of..... One thousand nine hundred and. . . ....*between*. . .....of ..... an approved accountant under the Auditor's Certificates Rules, 1932. ....(hereinafter called the Employer) of the first part ... .(hereafter called the Guardian) of the second part and .. . .(hereinafter called the Articled Clerk) of the third part

Witness as follows that is to say—

1. In consideration of the covenants by the Articled Clerk and Guardian respectively hereinafter contained and of the premium of Rs. .....paid by or on behalf of the Articled Clerk (the receipt whereof the Employer doth hereby acknowledge) the Employer agrees to take the Articled Clerk as his articled clerk for the term of.....years from the date of this deed.

2. The Articled Clerk of his own free will and with the consent of the Guardian binds himself articled clerk to the Employer to serve him from the day of the date hereof for and during and unto the full end and term of. ... .years

3. The Articled Clerk covenants with the Employer as follows.—

(*a*) That he will at all times during the said term diligently and faithfully serve the Employer as his articled clerk *in the practice or profession of accountancy.*

(*b*) That he will not at any time during the said term destroy cancel obliterate spoil embezzle spend make away with or take copies of books papers plants documents moneys stamps or chattels of the Employer his personal representatives or assigns or of his partner or partners or of any of his clients or employers which shall be

deposited in his hands or which shall come to his care custody or possession or allow any of the said goods to be so treated by others if he can by the exercise of reasonable care prevent it.

(*c*) That he will at all times keep the secrets of the Employer and his partner or partners and of his and their clients and employers and will not divulge the names and affairs of such clients and employers.

(*d*) That he will readily and cheerfully obey and execute the lawful and reasonable commands of the Employer and will not depart or absent himself from the service or employ of the Employer at any time during the said term without his consent or that of his partners first obtained but will at all times during the said term conduct himself with all due diligence honesty and propriety.

(*e*) That he will at all times well and faithfully serve the Employer as an articled clerk ought to do in all things whatsoever.

(*f*) That he will make good and fully indemnify the Employer for any loss or damage suffered or sustained by his the Articled Clerk's misbehaviour or improper conduct

4. The Guardian covenants with the Employer as follows —

That he will indemnify the Employer his partner or partners and all or any of them in case the Articled Clerk shall act contrary to the last-mentioned covenant and the Employer or his partners shall suffer thereby any loss damage or prejudice

5. The Employer covenants with the Articled Clerk and the Guardian as follows —

(*a*) That he will by the best ways and means in his power and to the utmost of his skill and knowldege instruct or cause to be instructed the Articled Clerk and afford him such reasonable opportunities and work as may be required to enable him to acquire the art science and knowledge of accountancy.

(*b*) That he will at the expiration of the said term use his best means and endeavours at the request cost and charges of the Articled Clerk and the Guardian or either of them to cause the Articled Clerk to be enrolled on the Register of Accountants pursuant to the Auditor's Certificates Rules, 1932. Provided always that the Articled Clerk shall have well and faithfully served his intended clerkship and shall have passed the required examinations and in all respects properly qualified himself to be enrolled on the said Register.

(*c*) That if the Employer shall die or cease to practise as an accountant or cease to be borne on the list of Approved Accountants maintained under the Auditor's Certificates Rules, 1932, during the said term he or his personal representatives shall at the option of the Articled Clerk either return a proportionate part of the

premium or without any further expense to the Articled Clerk make the necessary arrangements for the completion of the residue of the term as Articled Clerk to some other.

(*d*) That he will allow the Articled Clerk leave of absence for each year of completed service a period aggregating not more than 30 days.

6. These articles are subject to the Auditor's Certificates Rules, 1932, and may be cancelled under Rule 45 of such Rules.

In Witness whereof the parties have hereunto set their hands and seals the day and year first above written.

Signed Sealed and Delivered
by
in the presence of–
Signed Sealed and Delivered
by
in the presence of–
Signed Sealed and Delivered
by
in the presence of

J. C. B. DRAKE,
Offg. Secy. to the Govt. of India

DEPARTMENT OF COMMERCE.
NOTIFICATION

REGISTRATION OF ACCOUNTANTS

New Delhi, the 26th March 1932

INDIAN COMPANIES ACT, 1913
(RESTRICTED CERTIFICATES RULES, 1932.)

No. 213 (11)-T. & E.-(A. B.).—In exercise of the powers conferred by sub-section (2) of section 3 of the Indian Companies (Amendment) Act, 1930 (XIX of 1930), the Governor General in Council is pleased to make the following rules, the same having been previously published as required by the said sub-section namely:—

1. These rules may be called the Restricted Certificates Rules, 1932.

2. (1) Every person holding a temporary or permanent restricted certificates granted by a local Government entitling him to act as an auditor within a province shall, within three months of the commencement of these Rules, send his certificate or a duly certified copy thereof, to the Secretary to the Government of India in the Department of Commerce. Original certificates will be returned to the holders after the particulars entered in them have been noted.

(2) In the month of April in each succeeding year every holder of a restricted certificate intending to continue to practise as an auditor shall send a report to that effect to the Secretary to the Government of India in the Department of Commerce.

3. (1) Every holder for a restricted certificate, whether such certificate is temporary or permanent, entitling the holder to act as an auditor within a province may continue so to act Provided that the Governor General in Council may at any time suspend or cancel such a certificate if the holder—

(*a*) has ben adjudged by a competent court to be of unsound mind;

(*b*) is an undischarged insolvent;

(*c*) being a discharged insolvent has not obtained from the court a certificate that his insolvency was caused by misfortune without any misconduct on his part;

(*d*) has been convicted by a competent court of any offence which is punishable under the Indian Penal Code and is under the provisions of the Code of Criminal Procedure, 1898, non-bailable; or

(*e*) has been declared by the Governor General in Council not to be a fit and proper person to act as an auditor of the accounts of public companies by reason of any act of negligence, misconduct or dishonesty committed in his professional capacity, provided that before making such declaration the Governor General in Council shall call upon the holder to show cause why his certificate should not be cancelled, and shall make such further inquiry, if any, as he may consider necessary.

(2) The suspension or cancellation of a certificate shall be notified in the local official Gazette and communicated to the holder of the certificate at his usual address.

J. C. B. DRAKE.
Offg. Secy. to the Govt. of India

THE INDIAN COMPANIES RULES, 1914.

Short title

1 These rules may be called the Indian Companies Rules, 1914

Definitions

2 In these rules,

(1) the 'Act' means the Indian Companies Act, 1913,

(2) the 'Schedule' means the Schedule hereto annexed;

(3) the decision of the Registrar as to the meaning of the words 'responsible officer' shall be final.

Verification under Section 101 of the Act

3. Copies of contracts required to be filed with the Registrar under section 104 of the Act shall be deemed to be duly verified if they are,

(1) Certified copies as defined in section 76 of the Evidence Act (I of 1872): or

(2) certified by an affidavit of some responsible officer of the Company to be true copies.

Verification under sections 109 and 110 of the Act

4 A copy of an instrument by which a mortgage or charge is created or evidenced delivered to the Registrar for filing under section 109 of the Act, or a copy of a deed so delivered under section 110 of the Act, shall be deemed to be verified in the prescribed manner if it is,

(1) a certified copy as defined in section 76 of the Evidence Act, or

(2) certified by an affidavit of some responsible officer of the Company to be a true copy:

Provided that a copy of such an instrument or deed where the mortgage or charge comprises solely property situate outside British India shall be deemed to be so verified if it is certified to be a true copy under the seal of the Company or under the hand of some person interested therein otherwise than on behalf of the company.

Translation

5. If any portion of any document required to be filed under the Act other than under section 277 thereof is not in the English language, a translation thereof, certified by a responsible officer of the Company to be correct shall be furnished along with each copy deposited with the Registrar.

Proviso—The Registrar may exempt any company from the operation of this rule in respect of such documents or parts of documents as he may in his discretion think fit

Fees for registering mortgages and charges

6. The following fees shall be payable for the registration of mortgages and charges, namely :—

	Rs.
(1) For registering under section 110 of the Act particulars of a series of debentures	
Where the total amount secured by the whole series does not exceed Rs. 2,000 .	5
Where it exceeds Rs. 2,000 . .	10
(2) For registering under section 112(1) mortgages of charges created by a company . .	
Where the amount of the mortgage or charge does not exceed Rs. 2,000	5
Where it exceeds Rs. 2,000 . . .	10
(3) For inspection under section 112(3) of the register of mortgages and charges . . .	1
(4) For registration under section 118 of the appointment of a Receiver	5

Certification of documents under section 277 of the Act

7. A copy of a document required to be filed with the Registrar under section 277 of the Act shall be deemed to be certified in the prescribed manner —

A In the case of a company incorporated in a foreign country, if

(1) duly certified as a true copy by an official of the Government to whose custody the original is committed, the signature or seal of such official being authenticated by any of the British officials mentioned in section 6 of the Commissioners of Oaths Act, 1889, 52 and 53 vict., c. 10, or in any Act amending the same, or

(2) duly certified as a true copy by a Notary of such foreign country, the certificate of the Notary being authenticated by any of the British officials mentioned in section 6 of the said Act or in any Act amending the same, or

(3) duly certified as a true copy on oath by some officer of the company before a person having authority to administer on oath as provided by section 3 of the said Act, the status of the person administering the oath being authenticated by any of the British officials

mentioned in section 6 of the said Act or in any Act amending the same.

B. In the case of a Company incorporated in any part of His Majesty's dominions if it is:—

(1) duly certified as a true copy by an official of the Government to whose custody the original is committed, or

(2) duly certified as a true copy by a Notary Public of such place, or

(3) duly certified as a true copy on oath by some officer of the Company before some person having authority to administer an oath in such place.

Certification of translations under section 277

8. Translations of documents required to be filed with the Registrar under section 277 of the Act shall be deemed to be certified as correct translations, if certified to be correct translations.

A. Where such translation is made out of British India by

(1) an official having custody of the original, or,

(2) a Notary Public for the country or place where the company is incorporated;

Provided that where the Company is incorporated in a foreign country, the signature or seal of the person so certifying shall be authenticated in either case by any of the British officials mentioned in section 6 of the Commissioners of Oaths Act, 1889, 52 and 53 Vict., c. 10, or in any Act, amending the same.

B. Where such translation is made within British India

(1) by an Advocate, Attorney or Pleader entitled to appear before the High Court, or

(2) by an affidavit of some person having, in the opinion of the Registrar, a competent knowledge of the language of the original and of English

Power of Governor General in Council to relax rules 7 and 8

9. The Governor General in Council may in any particular case if he thinks fit and upon such conditions as he may prescribe, permit certified copies of translations though not certified in accordance with rules 7 and 8 to be filed with the Registrar

Times for filing alterations of particulars under section 277

10. Notice of any alteration which is required by section 277(1) of the Act to be filed with the Registrar shall be so filed within one month after the date on which particulars of the alteration could in due course of post, and if despatched with due diligence have been received by the Registrar from the place where the Company is incorporated.

Forms

11. The Governor General in Council further prescribes and directs that the forms in the Schedule or forms as near thereto as circumstances admit shall be used in all matters to which these forms relate.

Payment of Fees

12. All fees payable under the Act may be paid either in cash or by revenue stamps.

FORM I.

DECLARATION ON REGISTRATION OF COMPANY.

THE INDIAN COMPANIES ACT, 1913.

(*See* section 24).

Filing Fee Rs. 3.

*Declaration of compliance with the requirements of the Indian Companies Act, 1913, made pursuant to section 24(2) on behalf of a Company proposed to be registered as the

Presented for filing by

I of do solemnly and sincerely declare that I am (a) of the and that all the requirements of the Indian Companies Act, 1913, in respect of matters precedent to the registration of the said Company and incidental thereto have been complied with, save only the payment of the fees and sums payable on registration. And I make this solemn declaration conscientiously believing the same to be true.

---

*Note—This declaration is chargeable with a two-rupees revenue stamp (Indian Stamp, Bombay Amendment) Act II of 1922.

(a) Here insert—'An Advocate, Attorney or Pleader entitled to appear before a High Court who is engaged in the formation of the Company' or 'a person named in the Articles as a Director, Manager or Secretary of the Company.'

FORM II.

CONSENT OF DIRECTOR TO ACT

THE INDIAN COMPANIES ACT, 1913.

(*See* section 84).

Filing Fee Rs 3.

Consent to act as Director of the to be signed and filed pursuant to section 84(1) (i).

Presented for filing by

To the Registrar of Joint Stock Companies—

(a) , the undersigned, hereby testify

(b) consent to act as Director of the pursuant to section 84(1) (i) of the Indian Companies Act, 1913.

*Signature.	Address.	Description.

Dated this of 19 .

Section 84(3) of the Indian Companies Act, 1913, provides that:—

"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."

(a) Here insert 'I' or 'We.'

(b) Here insert 'my' or 'our.'

*If a Director signs by 'his agent authorised in writing' the authority must be produced and a copy filed.

FORM III.

LIST OF PERSONS CONSENTING TO BE DIRECTORS.

THE INDIAN COMPANIES ACT, 1913.

(*See* section 84).

Filing Fee Rs. 3.

List of the persons who have consented to be Directors of the to be filed with the Registrar pursuant to section 84(2).

Presented for filing by

To the Registrar of Joint Stock Companies—

(a) , the undersigned, hereby give you notice, pursuant to section 84(2) of the Indian Companies Act, 1913. that the following persons have consented to be Directors of the

Name	Address.	Description.

Signature, address and description of applicant for registration.

Dated this day of 19 .

Section 84(3) of the Indian Companies Act, 1913, provides that—

"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."

(a) Here insert 'I' or 'We'

FORM IV.

DECLARATION BEFORE COMMENCING BUSINESS IN CASE OF COMPANY ISSUING A PROSPECTUS.

THE INDIAN COMPANIES ACT, 1913.

(*See* section 103).

Filing Fee Rs. 3.

†Declaration made on behalf of the* that the conditions of section 103 of the Act have been complied with.

* Insert name of Company.

Presented for filing by

I of being (a) of the * do solemnly and sincerely declare:—

(a) Insert here 'the Secretary' or 'a Director.'

That the amount of the share capital of the company offered to the public for subscription is Rs.

That the amount fixed by the memorandum or articles and named

†For stamps see note under Form I. This declaration must be sworn before some person who is authorised to administer oaths.

in the prospectus as the minium subscription upon which the Company may proceed to allotment is Rs.

That shares held subject to the payment of the whole amount thereof in cash have been allotted to the amount of Rs.

That 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.

I declare that the foregoing statements are true to my knowledge and belief,

Signature.
Date.

FORM V

DECLARATION BEFORE COMMENCING BUSINESS IN CASE OF COMPANY FILING STATEMENT IN LIEU OF PROSPECTUS.

THE INDIAN COMPANIES ACT, 1913.

(*See* section 103).

Filing Fee Rs. 3.

†Declaration made on behallf of the *(which is a Company that has filed with the Registrar a statement in lieu of prospectus), that the conditions of section 103 of the Act have been complied with.

* Insert name of Company.

Presented for filing by

I of being (a) of the* do solemnly and sincerely declares:—

(a) Insert here 'the Secretary' or 'a Director.'

That the amount of the share capital of the Company other than that issued or agreed to be issued as fully or partly paid up otherwise than in cash is Rs.

That the amount fixed by the memorandum or articles and named in the statement in lieu of prospectus as the minimum subscription upon which the company may proceed to allotment is Rs.

That shares held subject to the payment of the whole amount thereof in cash have been allotted to the amount of Rs.

That 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 payable in cash.

I declare that the foregoing statements are true to my knowledge and belief.

Signature.
Date.

† For stamp and other particulars see note below Form IV.

FORM VI.

Filing Fee.

Return of Allotments.

THE INDIAN COMPANIES ACT, 1913.

(*See* Section 104.)

[To be filed with the Registrar within one month after the allotment is made.]

Return of allotments* from the of 19 ,
to the of 19 of the†

Made pursuant to Section 104 (1).

‡Number of the shares allotted payable in cash ..
" " " " ..
Nominal amount of the shares so allotted .. Rs
" " " " .. "
Amount paid or due and payable on each such share .. "
" " " " .. "
Number of shares allotted for a consideration other than cash .. .. "
Nominal amount of the shares so allotted .. "
Amount to be treated as paid on each such share .. "
The consideration for which such shares have been allotted is as follows:—

*NOTE.—In making a return of allotments under Section 104(1) of the Indian Companies Act, 1913, it is to be noted that—

1. When a return includes several allotments made on different dates, the actual dates of only the first and last of such allotments should be entered at the top of the front page, and the registration of the return should be effected within one month of the first date.

2. When a return relates to one allotment only, made on one particular date, that date only should be inserted, and the spaces for the second date struck out, and word "made" substituted for the word "from" after the word "allotments" above

†Here insert name of Company.

‡Distinguish between preference, ordinary, or other description of shares.

Presented for filing by—

Names Addresses and Descriptions of the Allottees.

Name in full	Address	Description	Number of shares allotted	
			Preference	Ordinary

Signature

Date

FORM VII.

PARTICULARS OF ORAL CONTRACTS.

THE INDIAN COMPANIES ACT, 1913.

[*See* Section 104(2).]

Filing Fee Rs.

N. B.—This Form must bear a stamp of the value of the stamp duty that would have been payable if the contract had been reduced to writing.

Particulars prescribed under section 104, sub-section (2) of the Act.

Filed by* ——

Presented for filing by ——

(1) The number of shares, in whole or in part allotted for a consideration other than cash,	
(2) If the consideration for the allotment of any shares is services, or any consideration other than that mentioned below in part 3 state what such consideration consists of	
(3) If the consideration for the allotment of any shares is a sale of property or the agreement for the sale of property, state fully the consideration for and other terms of, such sale or agreement for sale.	
(4) Give full particulars in the form of the following table, of the property, which is the subject of the sale, showing in detail how the total consideration is apportioned between the respective heads—	Rs.
Immoveable property or interest in immoveable property wherever such immoveable property may be situated	
Patents, Licenses, Trade-marks and Copyrights	
Goodwill	
Fixtures and fittings	
Book and other debts (including money on deposit at Bank or else-where)	
Benefit of contracts	
Other property, *viz.*	
Total	
(5) If the consideration payable is partly in respect of a sale of property or agreement for a sale of property, and partly in respect of some other consideration, state fairly how much of the amount of the consideration is attributable to each of the heads of the property sold or agreed to be sold, and how much to such other consideration	
(6) If the consideration payable consists in the assumption by the purchaser of liabilities to third persons, specify the total amount of such liabilities	

Signature.

Designation of position in relation to the Company.

Date

*Insert name of Company.

FORM VIII.

Statement as to Commission where shares not offered to the public.

THE INDIAN COMPANIES ACT, 1913.

(*See Section 105.*)

Filing fee Rs.

Presented for filing by Limited

Statement by a Company pursuant to section 105 of the Indian Companies Act, 1913, of the amount or state paid, or agreed to be paid by way of commission in respect of shares.

Name of Company	
Article of Association authorizing commission	No.
Particulars of the amount paid or payable as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares in the Company.	Paid Rs. Payable Rs
or	
Rate of such commission	Rate per cent.
Date of circular or notice, if any (not being a prospectus, inviting subscriptions for the shares and disclosing the amount or rate of the Commission).	Date.

Signature of the Directors or of their agents authorized in writing.

Date.

FORM IX.

PARTICULARS OF MORTGAGES AND CHARGES.

THE INDIAN COMPANIES ACT, 1913.

(See Section 109.)

Fee payable in accordance with rule.

Particulars to be filed with the Registrar pursuant to section 100 of a mortgage or charge created by the* and being:—

* Insert name of Company.

(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 immoveable 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.

(Strike out the sub-heads (a), (b), (c), (d) or (e) which do not apply).

Presented for filing by

Particulars of mortgage or charge created by the

1	2	3	4	5
Date of the instrument creating or evidencing the mortgage or charge and description thereof.	Amount secured by mortgage or charge	Short particulars of the property mortgaged or charged	Names (with addresses and descriptions) of the mortgagees or persons entitled to the charge.	Amount or rate per cent. of the commission allowance or discount (if any) 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, or procuring or agreeing to procure subscriptions whether absolute or conditional for any of the debenturs included in this Return.

Designation of position in relation to the Company.

Date.

Signature.

[*N. B.*—This space is reserved for binding and must not be written on.]

FORM X.

REGISTRATION OF SERIES OF DEBENTURES.

THE INDIAN COMPANIES ACT, 1913.

[*See* Section 110.]

Particulars to be filed with the Registrar pursuant to Section 110 relating to a series of debentures containing, or giving by reference to any other instrument, any charge, to the benefit of which the debenture holders of the said series are entitled *pari passu* created by the*

Presented for filing by

Particulars to be filed with the Registrar pursuant to Section 110 of the Indian Companies Act, 1913, of a series of debentures created by*

1	2	3	4	5	6	7
Total amount secured by the whole series.	Amount of the present issue of the series.	Dates of Resolutions authorising the issue of the series.	Dates of the covering deed (if any) by which the security is created or defined; or if there is no such deed, the date of the first execution of debentures of the series.	General description of the property charged.	Names of the Trustees, (if any) for the debenture holders.	Amount or rate per cent of the commission, allowance or discount (if any) 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, or procuring or agreeing to procure subscriptions whether absolute or conditional, for any of the debentures included in this return.

Dated 19 .

Signature.

Designation of position in relation to the Company.

*Here insert name of the Company.

Notes.—(1) The deed, if any or a copy thereof verified in the prescribed manner containing the charge must be filed with these particulars with the Registrar within twenty-one days after the execution of such deed; or if there is no such deed, one of the debentures must be so delivered within twenty-one days after the execution of any debentures of the series.

(2) The fees payable on the registration of these particulars are as follows:—

Where the amount secured by the whole series does not exceed Rs. 2,000....Rs. 5.

Do. do. do. exceeds Rs 2,000. . Rs. 10

FORM XI.

REGISTRATION WHEN MORE THAN ONE ISSUE OF THE SAME SERIES.

THE INDIAN COMPANIES ACT, 1913.

(*See* Section 110.)

Filing Fee Rs. 5.

The

Statement of particulars as required by section 110 when more than one issue is made of debentures in a series.

Presented for filing by

Particulars of an issue of debentures made by the

To be entered on the register pursuant to the proviso to section 110 of the Indian Companies Act, 1913.

1.	2.	3.
Date of present issue.	Amount of present issue.	Particulars as to the amount or rate per cent. of the commission allowance or discount (if any) paid, or made, either directly or in directly, by the Company to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional for any of the debentures included in this Return.

Signature.

Designation of position in relation to the Company.

Date.

NOTE:—Section 110 above-mentioned provides:—

(1) For registration of particulars of the entire series (for which purpose Form No. X must be used), and

(2) When there is more than one issue of debentures of the series for the registration of the amount and date of each issue (for which purpose this Form No. XI must be used.)

The proviso to section 110 of the Indian Companies Act, 1913, provides that:—

Where more than one issue is made of debentures in the series, there shall be sent to the Registrar for entry on the register particulars of the date and amount of each issue.

FORM XII

FORM OF REGISTER OF MORTGAGES AND CHARGES AND INDEX THE INDIAN COMPANIES ACT, 1913.

(See Sections 112 and 121)

Register of Mortgages and Charges and of Memorandum of Satishfaction of the.....

Date of registration	Serial no of document on file	Date of creation of each Mortgage or charge and description thereof	Amount secured by the mortgage or charge	Short particulars of the property mortgaged or charged.	Names of the mortgagees or persons entitled to the charge	Particulars relating to the issues of Debentures of a series.							Amount or rate per cent of the commission, allowance, or discount.	Receiver	
						Total amount secured by a series of debentures.	Date and amounts of each issue of the series.		Dates of the resolutions authorising the issue of the series	Date of the Covering Deed.	General description of the property charged	Names of the Trustees for the Debenture Holders	Memoranda of satisfaction	Name and date of appointment.	Date of ceasing to act.
							Date	Amount							
1	2	3	4	5	6	7	8		9	10	11	12	13	14	15

FORM XIII.

NOTICE OF APPOINTMENT OF A RECEIVER.

THE INDIAN COMPANIES ACT, 1913.

(*See* Section 118.)

Filing Fee—Rs.

Notice pursuant to Section 118 as to the appointment of a Receiver.
The.....Limited.
Presented for filing by.....

To the Registrar of Joint Stock Companies.

I.....
of.....hereby give notice that:—

*(1) I have obtained an order of the†.....dated..... for the appointment of Mr.....of.....as Receiver of the property of this Company.

*(2) On the.....day of.....I appointed Mr..... .....of.....as Receiver of the property of this Company under the powers contained in an instrument‡..... dated.....

Signature.....

Date.....

NOTES.—This notice must be filed within 15 days of the order or of the appointment under the instrument.

The penalty for default is a fine not exceeding Rs. 50 for every day during which the default continues.

*Of these two paragraphs strike out that which does not apply.

†Insert name of Court making the order.

‡Describe fully the instrument under which appointment is made.

FORM XIV.

ABSTRACTS OF RECEIVER'S ACCOUNTS.

THE INDIAN COMPANIES ACT, 1913.

(*See* Section 119.)

(*No registration fee payable.*)

Name of Company.

Name and address of Receiver.

Date and description of instrument under which Receiver is appointed.

Date of taking possession.

Period covered by the abstract { Form / To

ABSTRACT.

Receipts.				Payments.			
	Rs.	As.	P.		Rs.	As.	P.

Signature.....

Date.....

FORM XV.

NOTICE TO BE GIVEN BY A RECEIVER ON CEASING TO ACT AS SUCH.

THE INDIAN COMPANIES ACT, 1913.

(*See* Section 119).

Filing fee Rs.

Name of Company.....
.....Limited

Presented for filing by.....

To the Registrar of Joint Stock Companies.

I, the undersigned,.....
of.....hereby give you notice that I ceased to act as Receiver of the abovenamed Company, on the.....day of.....
.....

Signature.....

Date..... .....

NOTE.—This notice must be filed by the Receiver on his ceasing to act as such. The penalty for default is a fine not exceeding Rs. 500.

FORM XVI.

LISTS OF DOCUMENTS PRESENTED FOR FILING UNDER SECTION 277.

THE INDIAN COMPANIES ACT, 1913.

(*See* section 277).

Presented for filing by..... .....
The*.....incorporated in† .....and which has a place of business in British India, at.....

Presents for filing, pursuant to section 277(1) of the Indian Companies Act, 1913, the following documents:—

(A)‡
(B)‡
(C)‡
(D)‡

Signatures of the persons authorised under section 277(1) (d) of the Indian Companies Act, 1913 (see below), or some other person in British India duly authorised by the Company.

Date..... .....

---

*Insert name of Company.

†Insert country of origin.

‡For the particulars of the documents required to be filed, details of which are to be inserted here, see below.

NOTES.—Particulars of the documents required to be filed:—(Section 277) (1) of the Indian Companies Act, (1913).

(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.

(The copies and translations (if any) abovementioned must be certified in the manner prescribed in these rules).

FORM XVII.

LISTS OF DIRECTORS AND MANAGERS REQUIRED BY SECTION 277.

THE INDIAN COMPANIES ACT, 1913.

(See section 277).

Filing Fee Rs. 5.

Return pursuant to section 277(1) by.....

The* .....incorporated in† .....and which has a place of business in British India at.....of a list of its Directors and Manager.

Presented for filing* by... . ...

List of Directors of the... ... .

Names of Directors and Managers.	Addresses of Directors and Managers.	Description or occupations of Directors and Managers.

Signatures of the persons authorised under section 277(1) (d) of the Indian Companies Act, 1913, or of some other person in British India duly authorised by the Company.

Date..... .....193 .

*Insert name of Company.
†Insert country of origin.

FORM XVIII.

RETURN OF PERSONS AUTHORISED TO ACCEPT SERVICE UNDER SECTION 277.

THE INDIAN COMPANIES ACT, 1913.

(*See* Section 277).

Filing Fee Rs. 5.

Return pursuant to Section 277(1) by—The*..... incorporated in†.....which has a place of business in British India at.....of 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.

Presented for filing by ....

List of persons authorised to accept service on behalf of the Company.

Names of persons.	Addresses	Descriptions or occupations.

Signatures of the persons authorised under section 277(1) (d) of the Indian Companies Act, 1913, or of some other person in British India duly authorised by the Company.

Dated.....193 .

*Insert name of Company.
†Insert country of origin.

FORM XIX.

NOTICE OF ALTERATION IN CHARTER, ETC., UNDER SECTION 277.

THE INDIAN COMPANIES ACT, 1913.

(*See* section 277).

Filing Fee Rs. 5.

*The.....

Notice of alteration in the charter, statutes, memorandum and articles, or other instrument constituting or defining the constitution of the Company.

Presented for filing by..... .....

Notice is hereby given pursuant to section 277(1) of the Indian Companies Act, 1913, by the*.....incorporated in†.....and which has a place of business in British India at.....of alteration in the‡.....constituting or defining the constitution of the Company.

§Certified copy of alteration with certified copy of new deed, if one has been executed, and certified translation of alteration or any deed, if not in the English language, must accompany this notice and be shortly referred to here*.

Signatures of the persons authorised under section 277(1) (d) of the Indian Companies Act, 1913, or of some other person in British India duly authorised by the Company.

Date..... 193

---

*Insert the name of Company.

†Insert country of origin.

‡Insert 'charter' 'statutes' 'memorandum' or 'articles' or other instrument as the case may be.

§The copy and translation (if any) must be certified in the manner prescribed in these rules.

NOTE:—This notice must be filed within one month after the date on which particulars of the alteration could, in due course of post, and if despatched with due diligence, have been received in British India from the place where the Company is incorporated.

FORM XX.

NOTICE OF ALTERATION IN THE ADDRESS OF THE REGISTERED OR PRINCIPAL OFFICE OF THE COMPANY UNDER SECTION 277.

THE INDIAN COMPANIES ACT, 1913.

(*See* Section 277).

Filing Fee Rs. 5.

Presented for filing by.....

Notice is hereby given, pursuant to section 277(1) of the Indian Companies Act, 1913, by the*... ..... incorporated in†..... ..... .and which has a place of business in British India at..... .....of alteration in the adddress of the registered or principal office of the Company.

Previous address.	Present address.	Date of change.

Signatures of the persons authorised under section 277 of the Indian Companies Act, 1913, or some other persons in British India duly authorised by the Company.

NOTE.—This notice must be filed within one month after the date on which particulars of the alteration could, in due course of post, and if despatched with due diligence, have been received in British India from the place where the Company is incorporated.

*Insert name of Company.

†Insert country of origin.

FORM XXI.

NOTICE OF ALTERATION OF DIRECTORS OR MANAGERS.
THE INDIAN COMPANIES ACT, 1913.

(*See* section 277).

Filing Fee Rs. 5.

Notice of alteration in the list of Directors or Managers of the*

Presented for filing by.....

Notice is hereby given, pursuant to section 277(1) of the Indian Companies Act, 1913, by the*.....incorporated in†.....and which has a place of business in British India at... .....of alteration in the list of Directors and Managers.

Names of Directors and Managers.	Addresses of Directors and Managers.	Descriptions or occupations of Directors and Managers.	Remarks as to the alteration.

Signatures of the persons authorized under section 277(1) (d) of the Indian Companies Act, 1913, or of some other person in British India duly authorized by the Company.

Dated... ....193 .

NOTE.—This notice must be filed within one month after the date on which particulars of the alteration could, in due course of post, and if despatched with due diligence, have been received in British India from the place where the Company is incorporated.

*Insert the name of Company.

†Insert country of origin.

FORM XXII.

NOTICE OF ALTERATION IN THE NAMES OR ADDRESSES OF PERSONS AUTHORISED TO ACCEPT PROCESS.

THE INDIAN COMPANIES ACT, 1913.

(*See* section 277).

Filing Fee Rs. 5.

The*.....

Notice of alteration in the names or addresses of the 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.

Presented for filing by..... .....

Notice is hereby given, pursuant to section 277(1) of the Indian Companies Act, 1913, by the*.....incorporated in†..... .....and which has a place of business in British India at .....of alteration in the names or addresses of the 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.

‡Particulars of alteration.

Signatures of the persons authorized under section 277(1) (d) of the Indian Companies Act, 1913, or of some other person in British India duly authorized by the Company.

Date.....193

NOTE.—This notice must be filed within one month after the date on which particulars of the alteration could, in due course of post, and if despatched with due diligence, have been received in British India from the place where the Company is incorporated.

*Insert the name of Company.

†Insert country of origin.

‡Where any persons are appointed, the full names, addresses, and descriptions of the persons so appointed should be given.

FORM XXIII.

STATEMENT OF AFFAIRS UNDER SECTION 277.

THE INDIAN COMPANIES ACT, 1913.

(*See Section* 277.)

Filing Fee Rs. 5.

Statement in the form of a balance sheet by the*

Presented for filing by

Return pursuant to Section 277 (3) (*ii*) of the Indian Companies Act, 1913, by—The*

incorporated in† and which has a place of business in British India at of a statement in the form of a balance sheet audited by the Company's auditors‡ and made up to day of

Signatures of the persons authorised under Section 277 (*1*) (*d*) of the Indian Companies Act, 1913, or of some other persons in British India duly authorised by the Company.

Dated..... .....193 .

NOTE.

Section 277 (3) (*i*) of the Indian Companies Act, 1913, is as follows:—

"(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: 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:

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 therein prescribe, exempt any such Company or any class of such Companies from this requirement."

The form of a balance sheet is prescribed in Section 132 which is as follows:—

"(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."

---

* Insert name of Company. † Insert country of origin. ‡ Insert names and addresses of auditors.

FORM XXIV.

STATUTORY REPORT.

THE INDIAN COMPANIES ACT, 1913.

(*See* Section 77.)

Filing Fee Rs. 3.

Statutory report of the Company, Limited, to be certified and filed pursuant to section 77(5).

Presented for filing by

The Directors' report to the members as follows:—

1. The total number of shares allotted is

2. Of the said shares—

(a) the number allotted, subject to payment therefor in cash is

(b) the number allotted as fully paid up is the consideration for which they have been allotted is

(c) the number allotted as fully paid up otherwise than in cash to the extent of Rs. per share is the consideratoin for which they have been so allotted is

3. The total amount of cash received by the Company in respect of the shares issued, subject to payment therefor in cash is (and on the shares issued partly for cash is): and the Company has received no cash in respect of the said shares issued as fully paid up.

4. The receipts and payments of the Company on capital account up to the day of last (*i.e.*, a date within 7 days of the date of the report) are as follows:—

	Particulars of Receipts.	Particulars of payments.
Preference.		
From shares ordinary ..		
From Debentures		
From Debenture Stock ..		
From other sources		

5. The following are the particulars as to the balance remaining in hand as on the said day of :—

Cash in hand	
Cash at the bank	
Etc., etc.	

6. The following is an account (or estimate) of the preliminary expenses of the Company:—

7. Names, addresses and descriptions of the Directors, auditors (if any), managers (if any) and Secretary of the Company.

DIRECTORS.

Name.	Address.	Description.

AUDITORS.

Name.	Address.	Description.

MANAGERS.

Name.	Address.	Description.

SECRETARY.

Name.	Address.	Description.

8. 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:—

Dated the day of 19 .

We hereby certify this report.***

Two Directors.

We hereby certify that so much of the report as 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 or capital account is correct.

Date.

Auditors.

*** To be certified by not less than two Directors or if the company has less than two Directors, by the sole Director, and forwarded at least 10 days before the statutory meeting to every member and debenture-holder of the Company and to be filed with the Registrar forthwith after it is forwarded. Section 77, sub-sections (2), (3) and (5) and section 146.

FORM XXV.

AGREEMENT TO TAKE QUALIFICATION SHARES IN PROPOSED COMPANY.

THE INDIAN COMPANIES ACT, 1913.

[*See* Section 84.]

Filing Fee Rs. 3.

Contract by Directors to take and pay for qualification shares in , Limited, to be signed and filed pursuant to Section 84 (1) (ii) of the Indian Companies Act, 1913.

Presented for filing by

We, the undersigned, having consented to act as Directors of the , Limited, do each hereby agree to take from the said Company and pay for the shares of Rs. each, being the number of shares prescribed as the qualification for the office of Director of the said Company.

Signature.	Address.	Description.

Dated.....193 .

Witness to the above signatures:

FORM XXVI.

COPY OF THE REGISTER OF DIRECTORS OR MANAGERS AND CHANGES THEREIN.

THE INDIAN COMPANIES ACT, 1913.

[*See* Section 87.]

Filing Fee Rs.

Copy of the Register of Directors or Managers of the..... .....Company, Limited, and of any changes therein filed pursuant to Section 87 '(1). Presented for filing by.....

Names.	Addresses.	Occupation	Changes.*

Dated *Signature.*

NOTE.—1. A complete list of the existing Directors or Managers should always be given.

* 2. A note of the changes since the last list was filed should be made in this column, *e.g.*, by entering against a new Director's name the words "in place of " and against any former Director's name the words "dead," "resigned" or as the case may be.

3. Notice of change should given within 30 days from the date of occurrence.

LIST OF OFFENCES UNDER THE INDIAN COMPANIES ACT, 1913, WITH THE MAXIMUM PENALTIES THEREFOR.

Section.	Nature of Offence.	Persons Liable.	Penalty.
25(2)	Not sending copies of Memorandum and Articles to Members at their request.	Company.	Fine not exceeding Rs. 10|- for each offence.
31(2)	Not duly keeping Register of Members.	Company and every officer, (including director who knowingly or wilfully commits the default.	Fine not exceeding Rs. 50|- for every day during which the default continues.
32(4)	Not complying with requirements as to annual list of members and summary.	Company and every officer who knowingly or wilfully commits the default.	Fine not exceeding Rs. 50|- for every day during which the default continues.
36(3)	Refusing inspection of Register of Members.	Company and every officer who knowingly authorises or permits the refusal.	Fine not exceeding Rs. 20|- for every day during which the refusal continues.
41(3)	Not giving Registrar notice in respect of branch registers.	Company.	Fine not exceeding Rs. 50|- for every day during which the default continues.
47(2)	Defaults in connection with Share Warrants.	Company and every officer who knowingly or wilfully permits or continues the default.	Fine not exceeding Rs. 50|- for every day during which the default continues.
50(4)	Issuing memoranda not duly corrected.	Company and every officer who knowingly or wilfully authorises the default.	Fine not exceeding Rs. 10|- for each copy of Memorandum issued without alteration.
51(2)	Not filing with Registrar notice of conversion of shares into stocks, etc.	Company and every officer who knowingly or wilfully authorises the default.	Fine not exceeding Rs. 50|- for every day during which the default continues.

Section.	Nature of Offence.	Persons Liable.	Penalty.
53(2)	Not filing with Registrar notice of increase of capital, etc.	Company and every officer who knowingly or wilfully authorises the default.	Fine not exceeding Rs. 50|- for every day during which the default continues.
62(2)	Not embodying minute of reduction of capital in every memorandum issued.	Company and every officer who knowingly or wilfully authorises or permits the default.	Fine not exceeding Rs. 10|- for each copy of Memorandum issued without embodying.
64	Officer of a company concealing name of creditor entitled to object to reduction of capital.	Every officer who wilfully commits the offence.	Imprisonment up to one year or with fine or both.
70	Defaults in respect of directors with unlimited liability.	Directors with unlimited liability.	Fine not exceeding Rs. 1,000|- and damages.
71	Defaults in connection with alteration of memorandum making liability of directors unlimited.	Company and every officer who knowingly or wilfully authorises the default.	Fine not exceeding Rs. 10|- for each copy of Memorandum which is issued without such alteration.
72	Registered office, and notice to Registrar of situation.	Company.	Fine not exceeding Rs. 50|- for every day during which the default continues.
74(1)	Not keeping name of Company fixed up.	Company and every officer who knowingly or wilfully authorises or permits the default.	Fine not exceeding Rs. 50|- for every day during which the default continues.
74(2)	Officer of Company using improper seal.	Every officer of the Company who commits the offence.	Fine not exceeding Rs. 500|- and to make good the loss or damage to the party concerned.
75(2)	Default in publication of authorised capital.	Company and every officer who knowingly a party to the default.	Fine not exceeding Rs. 1,000|-.

Section.	Nature of Offence.	Persons Liable.	Penalty.
76(1)	Default in holding annual general meeting.	Company and every officer who is knowingly a party to the default.	Fine not exceeding Rs. 500|-.
77(6)	Defaults in respect of statutory reports.	Every Director who knowingly or wilfully authorises or permits the default.	Fine not exceeding Rs. 20|- for every day during which the default continues.
82(4)	Defaults in filing copies of resolutions with Registrar.	Company and every officer who knowingly or wilfully authorises or permits the default.	Do.
82(5)	Company issuing articles not amended.	Do.	Fine not exceeding Rs. 10|- for each copy in respect of which default is made.
82(6)	Officers of companies authorising the above.	Every officer of the company who knowingly or wilfully authorises or permits the default.	Do.
84(2)	For giving in the list of Directors filed under Sec. 84 the name of a person who has not consented to act as Director.	The applicant who submits the list to Registrar.	Fine not exceeding Rs. 500|-.
85(3)	Unqualified persons acting as directors.	Director who acts as such.	Fine not exceeding Rs. 50|- for every day during which the default continues.
87(2)	Not filing lists of directors with Registrar.	Company and every officer who knowingly or wilfully authorises or permits the default.	Fine not exceeding Rs. 50|- for every day during which the default continues.
91(A|2)	Non-disclosure by a Director of his interest in contract or arrangement.	Director who makes the default.	Fine not exceeding Rs. 1,000|-.
91(B|2)	For voting on a resolution by interested Director as Director.	Director who contravenes the law.	Fine not exceeding Rs. 1,000|-.

Section.	Nature of Offence.	Persons Liable.	Penalty.
91(C)(2)	Default in complying with sub-section (1) disclosure to members in case of contract appointing a manager.	The company and every officer who knowingly or wilfully authorises or permits the default.	Fine not exceeding Rs. 1,000/-.
91(D)(3)	Default in delivering the Memorandum of any contract entered into by any Manager or Agent, for or on behalf of the company at the next Directors' Meeting.	Manager or Agent who makes the default.	Fine not exceeding Rs. 200/-.
92(5)	Issuing a prospectus before it is filed with Registrar.	Every officer who is knowingly a party to the issue.	Fine not exceeding Rs. 50/- for every day until a copy is filed.
103(5)	Company commencing business, etc., before Registrar issues his certificate.	Every person who is responsible for the contravention.	Fine not exceeding Rs. 500/- for every day during which the contravention continues.
104(3)	Default in respect of filing a return of allotments.	Every officer who knowingly is a party.	Fine not exceeding Rs. 500/- for every day during which the default continues.
108(2)	Default in issue of certificates.	Company and every officer who is knowingly a party.	Fine not exceeding Rs. 50/- for every day during which the contravention continues.
118(2)	Default in registration of appointment of receiver.	Person who has obtained the order for appointment of receiver or who has appointed a receiver under any power.	Fine not exceeding Rs. 50/- for every day during which the default continues.
119(2)	Default in filing receiver's accounts.	Receiver who makes the default.	Fine not exceeding Rs 500/-.
122(1)	Default in filing with Registrar particulars of mortgages, etc.	Company and every officer or other person who is knowingly a party.	Fine not exceeding Rs 500/- for every day during which the default continues

Section.	Nature of Offence.	Persons Liable.	Penalty.
122(2)	Default in respect of matters connected with registration of mortgages.	Company and every officer who is knowingly or wilfully authorises or permits the default.	Fine not exceeding Rs. 1,000/-.
122(3)	Person authorising delivery of debenture without the certificate of registration endorsed.	Any person who knowingly or wilfully authorises the default.	Fine not exceeding Rs. 1,000/-.
123(2)	Officer of a company authorising omission in company's register of mortgages.	Director, Manager or other officer of the company knowingly or wilfully authorising the default.	Fine not exceeding Rs. 500/-.
124(2)	Company refusing inspection of copies of instruments creating mortgages or mortgage register.	Company and every officer who knowingly authorises the default.	Fine not exceeding Rs. 50/- for refusal and Rs. 20/- for every day during which the default continues.
125(3)	Refusal of inspection of register of debenture-holders or refusing copy.	Do.	Do.
131(4)	Default in respect of preparation of balance sheet.	Company and every officer who knowingly and wilfully authorises the default.	Fine not exceeding Rs. 1,000/-.
133(3)	Issuing copies of balance sheets not duly signed.	Company and every officer who is knowingly a party to such issue.	Fine not exceeding Rs. 500/-.
134(4)	Default in filing balance sheet with Registrar.	Company and every officer who knowingly and wilfully authorises the default.	Fine not exceeding Rs. 50/- for every day during which the default continues.
136(4)	Defaults in respect of statements by banking and insurance companies.	Company and every officer who knowingly and wilfully commits the offence.	Fine not exceeding Rs. 50/- for every day during which the default continues.

Section.	Nature of Offence.	Persons Liable.	Penalty.
137 (3)	Refusal to furnish information called for by Registrar under the section.	Any person who refused or neglects to furnish such information or explanation.	Fine not exceeding Rs. 50|- for each offence.
140(3)	Refusal to produce documents to, or reply to questions by inspector.	Any person who commits the offence.	Fine not exceed- Rs. 50|-.
142(3)	Like penalties on officers of companies refusing to furnish information to inspector appointed by the shareholders.	All persons who are or have been officers of the company who refused production of books or to answer any questions.	Fine not exceed- Rs. 50|-.
147	For carrying on business with fewer than seven or in Private Company fewer than two members for more than six months.	Every person who was member of the company.	Severally liable for the payment of the whole debt contracted during that time.
194(3)	Official liquidator not filing with Registrar Court's Order of dissolution.	The official liquidator making default.	Fine not exceeding Rs. 50|- for every day during which the default continues.
206(2)	Not publishing notice of special resolution for voluntary winding up.	Company and every person who knowingly or wilfully commits the default.	Fine not exceeding Rs. 50|- for every day during which the default continues.
208(2)	Liquidator failing to file with Registrar notice of his appointment.	Such liquidator.	Fine not exceeding Rs. 50|- for every day during which the default continues.
217(3)	Liquidator failing duly to file with Registrar a return of the holding of final meeting of a company.	Do.	Do.
217(5)	Default in filing with Registrar copy of Court's Order deferring date of dissolution.	Person making an application.	Do.

Section.	Nature of Offence.	Persons Liable.	Penalty.
235(1)	For misapplying, retaining or becoming liable or accountable for any money or property or becoming guilty of any misfeasance or breach of trust in the estimation of the Court in a winding up.	Director, manager, liquidator or other officer.	To make good damages and compensate all losses in addition to and withstanding that criminal liability attaches to him for the offence.
236	Directors falsifying books or papers.	Director, manager, officer or contributory.	Liable to imprisonment up to seven years and also to fine.
238	For giving false evidence.	Any person who may commit the offence.	Do.
243(2)	Default in filing with the Registrar a copy of Court's order declaring the dissolution of a company to have been void.	Person making an application.	Fine not exceeding Rs. 50|- for every day during which the default continues.
244(3)	Liquidator failing to file with Registrar particulars as to liquidation.	Such Liquidator.	Fine not exceeding Rs. 500|- for every day during which the default continues.
277(5)	Foreign companies default.	Company, every officer or agent of the Company.	Fine not exceeding Rs. 500|- or in the case of a continuing offence Rs. 50|- for every day during which the default continues.
282	False statements in returns or documents.	Whoever may commit the offence.	Fine and imprisonment of either description for a term which may extend to three years.
283	Use of name ending with "limited" by any but a registered company.	Whoever may commit the offence.	Fine not exceeding Rs. 50|- for every day during which the default continues.

APPENDIX D

SECTION I

High Court Rules

BOMBAY, CALCUTTA, MADRAS.

APPENDIX D

BOMBAY HIGH COURT.

RULES UNDER THE INDIAN COMPANIES ACT, 1913, (ACT VII OF 1913) BOTH FOR THE HIGH COURT AND THE COURTS SUBORDINATE THERETO, BEING FORMS 650 TO 752 OF THE BOMBAY HIGH COURT (ON THE ORIGINAL SIDE).

Preliminary.

GENERAL HEADINGS.

650. The following shall be used as general headings in all cases under these rules relating to companies in the High Court of Judicature at Bombay and in the Courts subordinate thereto.

A. For proceedings before the Judge in Chambers or in Court:—

In the High Court of Judicature at Bombay (or in the District Court of)

(as the case may be).

In the matter of the Indian Companies Act, VII of 1913, and of the..... .....Company, Limited.

B.—For all advertisements, notices and other proceedings not before the Judge in Chambers or in Court:—

In the matter of the Indian Companies Act, VII of 1913, and of the..... .....Company, Limited.

C.—In cases where it is required the words "and reduced" shall be added to the description of the Company.

PRESENTATION AND HEARING OF PETITIONS AND OF ALL APPLICATIONS AND PROCEEDINGS, PRESENTATION, ETC., OF PETITIONS, ETC

651. In the High Court of Judicatiure at Bombay all petitions shall be presented, applications made to, and proceedings, taken under the direction of, the Judge who may be sitting in Chambers for the time being, except in Company winding up business as provided in Rule 60 Provided nevertheless that the said Judge may refer any matter so brought before him into Court, or subject to the sanction of the Honourable the Chief Justice to any other Judge of the High Court. In the Mofussil of the Bombay Presidency all petitions shall be presented, application made to, and proceed all petitions shall be presented, application made to, and proceedings taken under the direction of, the Judge for the time being of the District Court within whose jurisdiction the registered office of the Company may be situate.

Rules as to Reduction of Capital.

PETITION TO REDUCE CAPITAL, "AND REDUCED" UNDER SECTION 57 OF THE ACT.

652. An order dispensing with the addition of the words "and reduced" in cases 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, may be obtained in Chambers either on application *ex parte* by summons before the presentation of the petition or at the time when the petition is presented.

PRACTICE IN CASES WHERE CREDITORS ARE NOT ENTITLED TO OBJECT.

653. In cases where the creditors of the Company are not entitled, under the provisions of Section 58 of the Indian Companies Act, 1913 (in these rules called "The Act"), to object to the proposed reduction, a certificate shall not be granted as is hereinafter provided by Rule 665 but the petition shall, if necessary, be answered and shall come on for hearing in the ordinary way. In all other cases the Rules hereinafter provided with reference to petition to reduce capital shall be followed.

PRACTICE WHERE CREDITORS ARE ENTITLED TO OBJECT.

654. In cases in which the creditors are entitled to object to the proposed reduction, the petition shall not come on to be heard in Chambers until after the expiration of 14 clear days from the filing of such certificate as is mentioned in Rule 665 hereafter.

PROCEEDINGS AFTER PETITION PRESENTED.

655. When any such petition as last aforesaid has been presented, application may be made *ex parte*, by summons in Chambers to the Sitting Judge in Chambers for directions as to the proceedings to be taken for settling the list of creditors entitled to object to the proposed reduction, and the Judge may thereupon fix the date with reference to which the list of such creditors is to be made out, pursuant to Section 58 of the Act; and may, either at the same time or afterwards, as he shall think fit, give such directions as are mentioned in Rules 656, 657, 660, 661 and 662. The order upon such summons may be in Form No. 1 in the first schedule to these rules (hereinafter in these rules called "the first schedule hereto) with such variations as the circumstances of the case may require.

ADVERTISEMENT OF PETITION.

656. Notice of the presentation of the petition shall be published at such times and in such newspapers in English and in the vernacular as the Judge shall direct, so that the first insertion of such notice be made not less than one calendar month before the day of the date fixed, as mentioned in the last preceding Rule. Such Notice may be in Form No. 2, with such variations as the circumstances of the case may require.

AFFIDAVIT AS TO CREDITORS.

657. The company shall, within such time as the Judge shall direct, file in Court an affidavit made by some office or officers of the company competent to make the same, verifying a list containing the names and addresses of the creditors of the company at the date fixed as mentioned in Rule 655 herein, and the nature and amounts due to them, respectively, or in case of any debt payable

on a contingency or not ascertained, or any claim admissible to proof in a winding-up of the company, the value, so far as can be justly estimated, of such debt or claim.

FORM OF AFFIDAVIT.

658. The person making such affidavit shall state therein his belief that such list is correct, and that there was not at the date so fixed as aforesaid any debt or claim which, if that date was the commencement of the winding-up of the company would be admissible in proof against the company, except the debts set forth in such list, and shall state his means of knowledge of the matters deposed to in such affidavit. Such affidavit may be in Form No. 3, with such variations as the circumstances of the case may require.

INSPECTION OF LIST OF CREDITORS.

659. Copies of such list, containing the names and addresses of the creditors, and the total amount due to them, but omitting the amounts due to them, respectively, or (as the Judge shall think fit) complete copies of such list shall be kept at the registered office of the company and at the offices of their attorneys and agents (if any), and any person desirous of inspecting the same may, at any time during the ordinary hours of business, inspect and take extracts from the same on payment of the sum of one rupee.

NOTICE TO CREDITORS.

660. The company shall, within seven days after the filing of such affidavit, or such further time as the Judge may allow, send to each creditor whose name is entered in the said list a notice stating the amount of the proposed reduction of capital, and the amount, or estimated value of the debt for which such creditor is entered in the said list, and the time (such time to be fixed by the Judge) within which where he claims to be a creditor for a larger amount, he must send in his name and address, and the particulars of his debt or claim and the name and address of his attorney (if any) to the attorney of the company; and such notice shall be sent through the post in a registered letter addressed to each creditor at his last known address or place of abode, and may be in Form No. 4 with such variations as the circumstances of the case may require · Provided that where any of the creditors of the company are residing out of British India, or where the names of any of the creditors are not known to the company, the Judge may direct notice to be given to them by advertisement in such papers and at such times as he may think proper.

ADVERTISEMENT AS TO LIST OF CREDITORS.

661. Notice of the list of creditors shall, after the filing of the affidavit mentioned in Rule 657, be published at such times and in such newspapers as the Judge shall direct. Every such notice shall state the amount of the proposed reduction of capital, and the places where the aforesaid list of the creditors may be inspected, and the time within which creditors of the company, whose names are not entered on the said list, and who are desirous

of being entered therein, must send in their names and addresses, and the particulars of their debts or claims, and the name and addresses of their attorneys (if any), to the attorney of the Company; and such notice may be in Form No. 5 with such variations as the circumstances of the case may require.

AFFIDAVIT AS TO RESULT OF RULES 660 AND 661.

662. The company shall, within such time as the Judge shall direct, file in Court an affidavit made by the person to whom the particulars of debts or claims are, by such notices as are mentioned in Rules 660 and 661 required to be sent, stating the result of such notices, respectively, and verifying a list containing the names and addresses of the persons (if any), who shall have sent in the particulars of their debts or claims in pursuance of such notices, respectively, and the amounts of such debts or claims and some competent officer or officers of the company shall join in such affidavit, and shall in such list distinguish which (if any) of such debts and claims are wholly, or as to any and what part thereof, admitted by the company, and which (if any) of such debts and claims are wholly, or as to any and what part thereof, disputed by the company. Such affidavit may be in Form No. 6 with such variations as the circumstances of the case may require.

PROCEEDINGS WHERE CLAIM NOT ADMITTED.

663. Where any debt or claim, the particulars of which are so sent in, shall not be admitted by the company at its, full amount, then and in every such case, unless the company are willing to set apart and appropriate in such manner as the Judge shall direct the full amount of such debt or claim, the company shall, where the Judge thinks fit so to direct, send to the creditor a notice that he is required to come in and prove such debt or claim, or such part thereof as is not admitted by the company, by a day to be therein named, being not less than 14 clear days after such notice, and being the time appointed by the Judge for adjudicating upon such debts and claims, and such notice shall be sent in the manner mentioned in Rule 660 and may be in Form No. 7 which such variations as the circumstances of the case may require.

COSTS OF PROOF.

664. Such creditors as come in to prove their debts or claims in pursuance of such notice as is mentioned in Rule 663 shall be allowed their costs of proof against the company and such costs shall be added to their debt; or the said creditors may be answerable for costs in the event of their proof not being established.

CERTIFICATE BY THE JUDGE AS TO CREDITORS.

665. The result of the settlement of the list of creditors shall be stated in a certificate which shall be signed by the Judge, and such certificate shall state what debts or claims (if any) have been disallowed, and shall distinguish the debts or claims the full amount of which the company are willing to see apart and appropriate, and the debts or claims (if any) the amount of which has been fixed by inquiry and adjudication in manner provided by Section 59

of the Act, and the debts or claims (if any) the full amount of which is not admitted by the company, nor such as the company are willing to set apart and appropriate, and the amount of which has not been fixed by inquiry and adjudication as aforesaid; and shall show which of the creditors have consented in writing to the proposed reduction, and the total amount of the debts due to them, and the total amount of the debts or claims the payment of which has been secured in manner provided by Section 59 of the Act and the persons to or by whom the same are due or claimed; but it shall not be necessary to show in such certificate the several amounts of the debts or claims of any persons who have consented in writing to the proposed reduction or the payment of whose debts or claims has been secured as aforesaid.

PETITION TO COME ON FOR HEARING.

666. After the expiration of eight clear days from the filing of such last-mentioned certificate the petition shall be set down for hearing in the ordinary course upon a praecipe, addressed to the Prothonotary and Senior Master by the petitioner or his attorney to have all petition set down for hearing.

ADVERTISEMENT OF HEARING.

667. Before the hearing of the petition, notices stating the day on which the same is appointed to be heard shall be published at such times and in such newspapers, in English and the vernacular, as the Judge shall direct. Such notices may be in the Form No. 8 with such variations as the circumstances of the case may require.

WHO MAY APPEAR.

668. Any creditor settled on the said list whose debt or claim has not, before the hearing of the petition, been discharged or determined, or been secured in manner provided by Section 59 of the Act, and who has not before the hearing consented in writing to the proposed reduction of capital, may, where he thinks fit, upon giving two clear days' notice to the attorney of the company of his intention so to do, appear at the hearing of the petition and oppose the application.

COSTS OF APPEARANCE.

669. When a creditor who appears at the hearing under the last preceding rule is a creditor the full amount of whose debt or claim is not admitted by the company, and the validity of whose debt or claim has not been inquired into and adjudicated upon under Section 59 of the Act, the costs of and occasioned by his appearance shall be dealt with as to the Court shall seem just, but in all other cases a creditor appearing, under the last preceding rule, shall be entitled to the cost of such appearance, unless the Court shall be of opinion that in the circumstances of the particular case his costs ought not to be allowed.

DIRECTIONS AT HEARING.

670. When the petition comes on to be heard, the Judge may, where he shall so think fit, give such direction as may seem proper with reference to the securing in manner mentioned in Section 59

of the Act, the payment of the debts or claims of any creditors who do not consent to the proposed reduction; and the further hearing of the petition may, where the Judge shall think fit, be adjourned for the purpose of allowing any steps to be taken with reference to the securing in manner aforesaid the payment of such debts or claims.

ORDER CONFIRMING REDUCTION.

671. Where the Judge makes an order confirming a reduction, such order shall give directions in what manner and in what newspapers, in English and the vernacular, and at what times, notice of the registration of the order and of such minute as is mentioned in Section 61 of the Act, is to be published; and unless the Judge shall have dispensed altogether with the addition of the words "and reduced," or shall then dispense with the further use thereof, shall fix the date until which the words "and reduced" are to be deemed part of the name of the company as mentioned in Section 57 of the Act.

PUBLICATION OF REASONS FOR REDUCTION, ETC.

672. Where the Judge thinks fit to require the company to publish the reasons for the reduction of its capital, or any other information in regard thereto or the causes which led to such reduction (as provided by Section 65 of the Act) the same shall be advertised in such newspapers, in English and in the vernacular, as the Judge shall think proper.

RULES AS TO WINDING-UP.

PETITION TO WIND UP COMPANY.

ADVERTISEMENT OF PETITION.

673. Every petition for the winding-up of any company by the Court, or subject to the supervision of the Court, after admission, shall be advertised fourteen clear days before the hearing as follows:—

(1) In the case of a company whose registered office, or where there shall be no such office, then whose principal or last known principal place of business is, or was, situate within the local limits of the Ordinary Original Civil Jurisdiction of the High Court at Bombay, once in the Bombay Government Gazette, and once at least in two English daily newspapers and two vernacular newspapers, published in Bombay, unless the Judge otherwise directs.

(2) In the case of any other company, once in the Bombay Government Gazette, and once at least in two local newspapers, or where there should be none such, in two newspapers circulating in the district where such registered office or principal, or last known principal, place of business, as the case may be, of such company, is or was situate, and also by proclamation affixed to the walls of the Court House, unless the Judge otherwise directs.

The advertisement shall state the day on which the petition was presented, and the name and address of the petitioner, and of his attorney (if any). (Form No. 11).

SERVICE OF PETITION.

674. Every such petition shall, unless presented by the company, be served at the registered office (if any) of the company, and where there is no registered office, then at the principal or last known principal place of business of the company where any such can be found, any member, officer, or servant of the company there, or in case no such member, officer, or servant can be found there, then by being left at such registered office or principal place of business, or by being served on such member or members of the company as the Judge may direct, and every petition for the winding up of a company subject to the supervision of the Court shall also be served upon the liquidator (if any) appointed for the purpose of winding up the affairs of the company. So also every petition for the compulsory winding-up of a company shall be served upon the liquidator (if any) who may have been appointed to act in a voluntary winding up, or in a winding up under supervision, as the case may be.

AFFIDAVIT OF VERIFYING PETITION.

675. Every petition for the winding up of any company by the Court, or subject to the supervision of the Court, shall be verified by an affidavit referring thereto, in Form No. 12—such affidavit shall be made by the petitioner, or by one of the petitioners where more than one, or in case the petition is presented by the company, by some director, secretary, or other principal officer thereof, and shall be made and filed within four days after the petition is presented, and such affidavit shall be sufficient *prima facie* evidence of the statements in the petition. Where the petition is presented by a corporated body, other than the company itself, the affidavit shall be made by some director, secretary or other principal officer of such corporate body. Provided that where the petitioner is by reason of absence or for other good cause unable to verify such petition the same may be verified by any person duly authorised by him in that behalf or deemed by the Court competent to verify the same.

COPIES OF PETITION TO BE SUPPLIED.

676. Every contributory or creditor of the company shall be entitled to be furnished by the attorney to the petition with a copy of the petition within twenty-four hours after requiring the same, on paying at the rate of 8 annas per folio of 90 words for such copy.

PETITION NOT TO BE DISMISSED IF ANY CREDITOR DESIROUS TO TAKE ADVANTAGE OF IT.

677. Where a petition to wind up has been admitted, the petitioner shall not be entitled to have it dismissed, where any creditor appears and proves his debt and is desirous of taking advantage of the petition.

ORDER TO WIND UP COMPANY.
ADVERTISEMENT AND SERVICE OF ORDER.

678. Every order for the winding up of a company by the Court, or subject to its supervision, shall within twelve days after

the date thereof be advertised by the petitioner once in the Bombay Government Gazette, and shall be served upon such person (if any), and in such manner, as the Court may direct. (Form No. 15).

PROCEEDINGS ON ORDER.

679. Within 10 days after any order for the winding up of a company has been sealed, a summons in Chambers shall be taken out by the petitioner to proceed with the winding up of the company, and in default thereof such summons may be taken out by any other person interested in the winding up to whom the Judge may think fit to give the conduct and prosecution of the said order, and in either case such summons shall be served upon all parties who may have appeared upon the hearing of the petition. Upon the return of such summons a time shall, where the Judge thinks fit, be fixed for the appointment of an official liquidator, and for the proof of debts and for the list of contributories to be brought in, and directions may be given as to the advertisement to be issued for all or any of such purposes, and generally as to the proceedings and the parties to attend thereon. The proceedings under the order shall be continued by adjournment, and where necessary, by further summons, and any such directions as aforesaid may be given, added to, or varied, at any subsequent times as may be found necessary.

APPOINTMENT OF OFFCIAL LIQUIDATOR.

680. The Judge may appoint a person to the office of official liquidator without any previous advertisement or notice to any party, or may fix a time and place for the appointment of an official liquidator, and may appoint or reject any person nominated at such time and places, and appoint any person not so nominated.

PROVISION FOR PERFORMANCE OF THE COURT LIQUIDATOR'S DUTIES DURING HIS ABSENCE.

680A. In case of the temporary absence of the Court Liquidator, his first or second assistant or some other qualified officer may be authorised by the Chief Justice to perform the duties usually performed by the Court Liquidator.

ADVERTISEMENT AS TO APPOINTMENT.

681. Where a time and place are fixed for the appointment of an official liquidator, such time and place shall be advertised in such manner as the Judge shall direct, so that the first or only advertisement shall be published within fourteen days and not less than seven days before the day so fixed. (Form No. 16).

SECURITY OF OFFICIAL LIQUIDATOR.

682. Every official liquidator shall give security by entering into a recognisance with one or more sufficient sureties, or by depositing Government Securities in such sum as the Court may approve, provided that the Court may if it thinks fit dispense with such security. (Form No. 18).

ORDER APPOINTING OFFICIAL LIQUIDATOR.

683. The official liquidator shall be appointed by order; and unless he shall have given security, or unless security shall have

been dispensed with, a time shall be fixed by such order within which he is to do so, and the order shall fix the times or periods, at which the official liquidator is to file his accounts of receipts and payments, and shall direct that all moneys to be received shall be paid into the Imperial Bank of India or branch thereof nearest to the principal place of business of the company, or in the case of a District Court into that Court, immediately after the receipt thereof to the account of the official liquidator of the company, and an account shall be opened there accordingly, and if the money is payable into the Imperial Bank of India or branch thereof as aforesaid an office copy of the order shall be lodged at the Imperial Bank of India or such branch thereof as aforesaid. (Forms Nos. 20 and 24).

CERTIFICATE OF SECURITY GIVEN.

684. Where an official liquidator has given security pursuant to the directions in the order appointing him, the same shall be certified by the Prothonotary and Senior Master of the High Court of the District Judge, as the case may be.

FRESH SECURITY WHEN REQUIRED.

685. Except in cases where security has been dispensed with, the official liquidator shall on each occasion of passing his accounts, and also whensoever the Judge may so require, satisfy the Judge that his sureties are living, and resident in the Presidency of Bombay, and have not be adjudged bankrupt or become insolvent, and in default thereof he may be required to enter into fresh security within such time as shall be directed.

ADVERTISEMENT OF APPOINTMENT MADE.

686. Every appointment of an official liquidator shall be advertised in such manner as the Judge shall direct immediately after he has been appointed and has given security, if any required. (Form No. 25).

PROVISIONAL OFFICIAL LIQUIDATOR.

687. Where it is desired to appoint provisionally an official liquidator an application for that purpose may at any time after the presentation of the petition for winding up the company be made by petition without advertisement or notice to any person unless the Judge shall otherwise direct; and such provisional official liquidator may, if the Judge shall think fit, be appointed without security. (Form No. 21).

VACANCY IN OFFICE OF OFFICIAL LIQUIDATOR.

688. In case of the death, removal, or resignation of an official liquidator, another shall be appointing in his room, in the same manner as directed in the case of a first appointment; and the proceedings for that purpose may be taken by such party interested as may be authorised by the Judge to take the same.

ACCOUNTS.

689. The official liquidator shall, with all convenient speed after he is appointed, proceed to make up, continue, complete, and

rectify the books of account of the company; and shall provide and keep such books of accounts as shall be necessary, or as the Judge may direct, for the purposes aforesaid, and for showing the debts and credits of the company, including a ledger which shall contain the separate account of the contributories, and in which every contributory shall be debited from time to time with the amount payable by him in respect of any call to be made as provided by Act and these Rules.

OFFICIAL RECORD BOOK TO BE KEPT BY LIQUIDATOR.

690. The official liquidator shall further keep a book to be called the "Record Book," in which he shall record all minutes, all proceedings had and resolutions passed at any meeting of creditors or contributors, and all such matters as may be necessary to give a correct view of his administration of the company's affairs.

REMUNERATION.

691. The official liquidator shall be allowed in his accounts, or otherwise paid, remuneration calculated as follows:—

SCALE OF FEES.

(1) Upon the total assets, including produce of calls on contributories, realised or brought to credit and not being moneys received and spent on carrying on the business.

On the first Rs. 10,000 or fraction thereof	5	per cent.
On the next Rs. 15,000 or fraction thereof	3	per cent.
On the next Rs. 25,000 or fraction thereof	2½	per cent.
On the next Rs. 50,000 or fraction thereof	2	per cent.
On any sums above Rs. 1,00,000	1	per cent.

(2) When the Official Liquidator collects call or realises property for debenture holders or other secured creditors, the same rate of fees as under No. (1) above to be paid out of the proceeds of such calls or property.

(3) When the Official Liquidator acts as Trustee under a scheme of arrangement, such remuneration not exceeding the rate of fees under No. (1) above, as the Court shall allow.

(4) When the Official Liquidator performs any special duties, not provided for above, such amount as the Court on the application of the Official Liquidator may consider reasonable.

He shall also be allowed, unless the Judge otherwise directs, a sum sufficient to cover the expenses of the employment of the assistants or clerks and his office rent, stationery, etc.

(a) The rate of remuneration of a liquidator shall in no case exceed the amount specified in the scale of fees given above.

(b) No officer of the Court acting as liquidator shall settle his remuneration with the attorneys for the parties concerned or with the parties if in person.

PASSING ACCOUNTS.

692. The accounts of the official liquidator shall be filed at such times as may from time to time be ordered by the Judge, and shall, upon notice to such persons (if any) as the judge shall direct, be audited, passed or verified as may be ordered.

JOINT OFFICIAL LIQUIDATORS.

693. Where joint official liquidators are appointed the above rules relating to official liquidator shall be applicable *mutatis mutandis*.

PROOF OF DEBTS.

ADVERTISEMENT FOR CREDITORS.

694. For the purpose of ascertaining the debts and claims due from the company and of requiring the creditors to come in and prove their debts or claims, an advertisement shall be issued at such time as the Judge shall direct, and such advertisement shall fix a time for the creditors to send their names and addresses and the particulars of their debts, or claims, and the names and addresses of their attorneys (if any), to the official liquidator, and appoint a day for adjudicating thereon. (Form No. 26).

ATTENDANCE OF CREDITORS.

695. The creditors need not attend upon the adjudication, nor prove their debts or claims, unless they are required to do so by notice from the official liquidator, but upon such notice being given, they are to come in, and prove their debts or claims within a time to be therein specified.

LIST OF DEBTS.

696. The official liquidator shall investigate the debts and claims sent in to him, and ascertain, so far as he is able, which of such debts and claims are justly due from the company and he shall make out and file in Court a list of all the debts and claims sent in to him, distinguishing which of the debts and claims, or parts of debts and claims, so claimed, are, in his opinion, justly due and proper to be allowed without further evidence, and which of them in his opinion ought to be proved by the creditors, and he shall make and file, prior to the time appointed for adjudication, an affidavit setting forth which of the debts and claims in his opinion are justly due and proper to be allowed without further evidence and stating his belief that such debts and claims are justly due and proper to be allowed, and the reasons for such belief. (Forms Nos. 27 and 28).

ALLOWANCE OF DEBTS.

697. At the time appointed for adjudicating upon the debts and claims, or at any adjournment thereof, the Judge may either allow the debts and claims upon the affidavit of the official liquidator, or may require the same, or any of them, to be proved by the claimants, and adjourn the adjudication thereon to a time to be then fixed, and the official liquidation shall give notice to the creditors whose debts or claims have been so allowed of such allowance in such manner as the Judge may direct.

PROOF OF DEBTS.

698. The Official liquidator shall give notice to the creditors whose debts or claims have not been allowed upon his affidavit that they are required to come in and prove the same by a day to be therein named, being not less than four days after such notice, and to attend at a time to be therein named, being the time appointed

by the advertisement or by adjournment (as the case may be) for adjudicating upon such debts and claims. (Forms Nos. 30 and 31).

ESTIMATION OF VALUE OF DEBTS AND CLAIMS.

699. The value of all debts and claims against the company shall, so far as is possible, be estimated according to the value thereof at the date of the order to wind up the company.

DIVIDENDS PAYABLE, PRINCIPAL AND INTEREST.

700. Creditors whose debts and claims carry interest and are allowed shall be entitled to receive dividends upon what was due for principal and interest at the date of the winding up. In the event of there being a surplus the dividends payable to such creditors shall be applied firstly, towards payment of the interest, and secondly, in reduction of the principal due to them.

Interest may be allowed on all claims in respect of which it is recoverable as damages.

COST OF PROOF.

701. Such creditors as come in and prove their debts or claims pursuant to notice from the official liquidator shall be allowed their costs of proof which will be added to the debt.

JUDGE'S CERTIFICATE OF DEBTS.

702. The result of the adjudication upon debts and claims shall be in the form of certificate to be signed by the Judge from time to time as convenience may require, and such certificate shall state whether the debts or claims are allowed or disallowed and whether allowed as against any particular assets, or in any other qualified or special manner. (Forms Nos. 32 and 33).

LIST OF CONTRIBUTORIES.

703. The official liquidator shall, with all convenient speed after his appointment, or at such times as the Judge shall direct, make out and file in Court a list of the contributories of the company; and such list shall be verified by the affidavit of the official liquidator, and shall, so far as is practicable, state the respective addresses of, and the number of shares or extent of interest to be attributed to, each such contributory and distinguish the several classes of contributories. And such list may, from time to time, by leave of the Judge, be varied or added to by the official liquidator. (Forms Nos. 34, 35, 39 and 40).

NOTICE OF APPOINTMENT TO SETTLE.

704. Upon the list of contributories being filed in Court, the official liquidator shall obtain an appointment for the Judge to settle the same and shall give notice in writing of such appointment to every person included in such list, stating in what character, and for what number of shares or interest such person is included in such list, and in case any variation or addition to such list shall at any time be made by the official liquidator, a similar notice in writing shall be given to every person to whom such variation or addition applies. All such notices shall be served four clear days before the day appointed

to settle such list or such variation or addition. (Forms Nos. 36 and 37).

JUDGE'S CERTIFICATES.

705. A list of contributories as the same shall have been settled by the Judge shall from time to time (when the Judge shall so order) be drawn up by the official and signed by the Judge for the purpose of stating the result of such settlement down to any particular time, or as to any particular person or stating any variation of the list. (Forms Nos. 41 and 42).

SALES OF PROPERTY.

706. Any movable or immovable property belonging to the company be sold with the approbation of the Judge in the same manner as in the case of a sale under a decree or order of the Court in a suit, or, if the Judge shall so direct, by the official liquidator, in which case the conditions or contracts of sale shall be settled and approved of by the Judge unless he shall otherwise direct, and unless on account of the small amount of the purchase money or other cause, it shall be though proper that the purchase money shall be paid to him, all conditions and contracts of sale shall provide that the purchase money shall be paid by the respective purchasers into the Imperial Bank of India or the branch thereof nearest to the principal place of business of the company to the account of the official liquidator of the company, or in the case of a District Court, into that Court.

CALLS, SUMMONS FOR CALL.

707. Every application to the Judge to make any call on the contributories or any of them, for any purpose authorised by the said Act, shall be made by summons in Chambers, stating the proposed amount of such call; and such summons shall be served four clear days at the least before the day appointed for making the call on every contributory proposed to be included in such call, or if the Judge shall so direct, notice of such intended call may be given by advertisement or such other public notification as the Judge in his discretion may think sufficient. (Forms Nos. 43, 44 and 45).

DOCUMENT MAKING THE CALL.

708. When the official liquidator is authorised by order to make a call on the contributories he shall file in Court a document in Form 47 with such variations as circumstances may require making the call.

ENFORCEMENT OF CALL.

709. The payment of the amount due from each contributory on a call may be entered by order of the Court, to be made in Chambers on summons by the official liquidator, and may be executed as if it were a decree for money. (Forms Nos. 48 and 49).

SERVICE OF ORDER.

710. When any order for a call has been made a copy thereof shall forthwith be served upon each of the contributories included in such call, together with a notice from the official liquidator specify-

ing the amount or balance due from such contributory, having regard to the provisions of the Act in respect to such call; but such order need not be advertised unless for any special reason the Judge shall so direct. (Forms Nos. 46 and 47).

PAYMENT OF MONEY AND DEPOSIT OF SECURITIES.
DEFAULT OF PAYMENT INTO BANK.

711. Where any official liquidator shall not pay all the moneys received by him into the Imperial Bank of India or the branch thereof nearest to the principal place of business of the Company, or in the case of a District Court into that Court, to the account of the official liquidator of the company within seven days next after the receipt thereof, unless the Judge shall have otherwise directed such official liquidator shall be charged in his account with rupees ten for every thousand rupees and a proportionate sum for any larger amount retained in his hands beyond such period for every seven days during which the same shall have been so retained and the Judge may, for any such retention, disallow the salary or remuneration of such official liquidator.

BILLS, ETC., TO BE DEPOSITED IN BANKS.

712. All bills, hundies, notes and other securities payable to the company, or to the official liquidator thereof, shall, unless the Judge otherwise directs, as soon as they shall come to the hands of such official liquidator, be deposited by him in the Imperial Bank of India or the branch thereof, nearest to the principal place of business of the company, or in the case of a District Court in that Court, for the purpose of being presented for acceptance and payment, or for payment only, as the case may be.

CALLS, ETC., TO BE PAID INTO BANK.

713. All orders for payment of calls, balances or other moneys due from any contributory or other person shall direct the same to be paid into the Imperial Bank of India or the branch thereof as aforesaid, or in the case of a District Court, into that Court, to the account of the official liquidator of the company unless, on account of the smallness of the amount or other cause, it shall be though proper to direct payment thereof to the official liquidator: Provided that where any such order has been made directing payment of a specific sum into the Imperial Bank of India or a branch thereof, or in the case of a District Court into that Court, as aforesaid, in case it shall be though proper for the purpose of enabling the official liquidator to issue execution or take other proceedings to enforce the payment thereof, or for any other reason an order may, either before service of such former order or after the time thereby fixed for payment, be made, without notice for the payment of the same sum to the official liquidator.

NOTICE AS TO PAYMENT INTO BANK.

714. At the time of the service of any order for payment into the Imperial Bank of India or a branch thereof or into a District Court as aforesaid the official liquidator shall give to the party served a notice to the purport or effect set forth in Form No. 50 for the purpose of informing him how the payment is to be made, and before

the time fixed for such payment the official liquidator shall furnish the cashier of the Imperial Bank of India or the branch thereof as aforesaid, or in the case of a District Court the Nazir thereof, with a certificate to the purpose or effect set forth in Form No. 51 to be signed by such cashier or Nazir as the case may be and delivered to the party paying in the money therein mentioned.

AFFIDAVIT OF NON-PAYMENT.

715. For the purpose of enforcing any order for payment of money into the Imperial Bank of India or a branch thereof as aforesaid or in the case of a District Court into that Court, an affidavit of the official liquidator to the purport or effect set forth in Form No. 53 shall be sufficient evidence of the non-payment thereof.

TITLE OF ACCOUNT IN BANK.

716. All moneys, bills, hundis, notes and other securities, paid and delivered into the Imperial Bank of India or a branch thereof as aforesaid, or in the case of a District Court into that Court, shall be placed to the credit or account of the official liquidator of the company and orders for any such payment and delivery shall direct the same accordingly. (Form No. 24).

DELIVERY OUT OF SECURITIES AND PAYMENT OUT AND INVESTMENT OF MONEYS, REQUESTS AND CHEQUES.

717. All bills, hundis, notes and other securities delivered into the Imperial Bank of India or a branch thereof as aforesaid, or in the case of a District Court into that Court, shall be delivered out upon a request signed by the official liquidator and such other person, if any, as the Judge may direct; and the money placed to the account of the official liquidator shall be paid out upon such cheques or order signed by the official liquidator and such other person, if any, as the Judge may direct. (Form, No. 24).

INVESTMENT.

718. All or any part of the money for the time being standing to the credit of the account of the official liquidator at the Imperial Bank of India or a branch thereof as aforesaid, or in the case of a District Court in that Courts, and not immediately required for the purposes of winding up may be invested in the purchase of Government Promissory Notes in the name of the official liquidator. All investments of moneys in the Imperial Bank of India or a branch thereof as aforesaid shall be made by the Imperial Bank of India upon a request signed by the official liquidator and countersigned by the Judge or one of the Judges of the Court unless the Judge otherwise directs; and all investments of moneys standing to the credit of the account of the official liquidator in a District Court shall be made upon a request signed by the official liquidator and addressed to such Court; such request, respectively, shall be sufficient authority for debiting the account with the purchase money; and such Government notes shall be retained by or deposited with the Imperial Bank of India or by or with the said District Court in the name and

on behalf of the official liquidator, and such notes shall not afterwards be sold or transferred or otherwise dealt with except upon a direction for that purpose signed by the official liquidator, and countersigned by the Judge or one of the Jugdes of the Court or under an order made by the Court. (Forms Nos. 54 and 55).

RECEIPT OF DIVIDENDS.

719. Subject to any special order which the Judge may make, all dividends and interest to accrue due from any such notes shall from time to time be received by the Imperial Bank of India under a power of attorney to be executed by the official liquidator, and placed to the credit of the account of such official liquidator, and when any such notes shall become payable the same shall be renewed or the principal and interest due thereon be received and placed to the credit of the account of the official liquidator.

MEETINGS OF CREDITORS OR CONTRIBUTORIES. NOTICE.

720. Where the Court shall direct a meeting of the creditors or contributories of the company to be summoned under Section 239 of the Act, or where the official liquidator, either of his own motion or at the direction or request of the creditors of contributories under Section 183 of the Act, shall summon such a meeting, he shall give notice in writing, seven clear days before the day appointed for such meeting, to every creditor or contributory of the time and place appointed for such meeting, and of the matter upon which it is desired to ascertain the wishes of the creditors or contributories, or where the Court shall so direct, such notice may be given by advertisement in the daily papers, in which case the object of the meeting need not be stated and it shall not be necessary to insert such advertisement in the Bombay Government Gazette. (Form No. 56).

MEMORANDUM AS TO CALLING MEETING.

721. The direction of the Judge for any meeting of creditors or contributories under Section 239 of the Act, and the appointment of a person to act as Chairman of any such meeting shall be testified by a memorandum signed by the Judge or one of the Judges of the Court or by the Prothonotary and Senior Master under the direction of the Judge. In the case of a meeting summoned by the official liquidator under Section 183 of the Act, he or some one nominated by him, shall be Chairman. (Form No. 57).

VOTES. CHAIRMAN'S REPORT.

722. The votes of the creditors or contributories of the company at any meeting summoned in accordance with rule 720 may be given either personally or by proxy; but no creditor shall appoint a proxy who is not a creditor of the company, whose debt or claim has been allowed, and no contributory shall appoint a proxy who is not a contributory of the company. (Form No. 58).

The Chairman of a meeting summoned by the direction of the Court shall report the result thereof to the Court. (Form No. 59).

SANCTION TO BILLS OF EXCHANGE, ETC.

723. The sanction of the Judge to the drawing, accepting, making and endorsing of any bill of exchange, hundi or promissory note by any official liquidator, shall be testified by a memorandum on such bill of exchange, hundi or promissory note signed by the Judge or one of the Judges of the Court, or by the Prothonotary and Senior Master under the direction of the Judge. (Form No. 60).

SANCTION OF JUDGE ON COMPROMISE.

724. Every application for the sanction of the Judge to a compromise with any contributory or other person indebted to the company shall be supported by the affidavit of the official liquidator stating that he has investigated the affairs of such contributory or person, and believes that the proposed compromise will be beneficial to the company, and giving his reasons for such belief; and the sanction of the Judge thereto shall be testified by a memorandum signed by the Judge or one of the Judges of the Court or by the Prothonotary and Senior Master under the direction of the Judge, on the agreement of compromise, unless any party shall desire to appeal from the decision of the Judge, in which case an order shall be drawn up for that purpose: Provided that if the official liquidator is the Court Liquidator, then unless otherwise ordered by the Judge he shall be at liberty to make a report to the above effect instead of an affidavit in any case where the claim by the company against the contributory or other person as aforesaid does not exceed Rs. 100. (Forms Nos. 61 and 62).

IN CASE UNDER SECTION 179.

725. The direction or sanction of the Judge for any proceeding or act to be taken or done by the official liquidator under the powers conferred on him by Section 179 shall (subject to the provision of Section 180 of the Act) be obtained upon application in writing and an order shall be drawn up thereon, unless the Judge shall otherwise direct. (Form No. 63).

APPLICATION TO THE COURT UNDER SECTIONS 183, 207, 212, 215 and 237 OF THE ACT.

APPLICATION HOW MADE.

726. Every application under Sections 183 (3), 183 (5), 207 (viii), 207 (ix), 212 (2) and 215 of the Act shall be made by petition or, if the Court shall so direct, by summons in Chambers, and every application under Section 237 of the Act shall be made by petition.

INSERTION OF ADVERTISEMENTS.

727. When an advertisement is required for any purpose, except where otherwise directed by these Rules, the advertisement shall be inserted once in the Bombay Government Gazette and in such other newspaper or newspapers, and for such number of times as may be directed. The Judge, however, may, in such cases as he shall think fit, dispense with any advertisement required by these Rules.

AFFIDAVITS FILLING AND OFFICE COPIES OF AFFIDAVITS.

728. Where an order shall have been made for the winding up of any company, any person intending to use any affidavit in any

proceeding under such order, shall file the same in Court, and serve a copy thereof on the official liquidator. The person other than the official liquidator filling the affidavit shall not be required to take an office copy thereof, but an office copy thereof shall be taken by the official liquidator, and he shall produce the same at the hearing of any application or proceeding upon which it is intended to be used unless the Judge shall otherwise direct.

REGISTER OF PROCEEDINGS.

729. A Register shall be kept by the Court of all proceedings in each matter in a book set apart for that purpose.

PROVISIONAL OFFICIAL LIQUIDATOR.

730. All the above Rules relating to official liquidators shall, so far as the same are applicable and subject to the directions of the Court or the Judge in each case, apply to provisional liquidators.

ATTENDANCE AND APPEARANCE OF PARTIES.

731. No order to the prejudice of contributories or creditors shall be made *ex parte* on the application of the official liquidator and every person for the time being on the list of contributories of the company filed in Court by the official liquidator, and every person having a debt or claim against the company allowed by the Judge shall be at liberty at his own expense to attend the proceedings before the Judge, and shall be entitled upon payment of the costs occasioned thereby to have notice of all proceedings as he shall by written request desire to have notice of, but if the Judge shall be of opinion that the attendance of any such person upon any proceeding has occasioned any additional costs which ought not to be borne by the funds of the company he may direct such costs, or a gross sum in lieu thereof, to be paid by such person, and such person shall not be entitled to attend any further proceedings until he has paid the same.

APPOINTMENT OF REPRESENTATIVE PARTY.

732. The Judge may from time to time appoint any or more of the contributories or creditors as he thinks fit to represent before him at the expense of the company all or any class of the contributories or creditors upon any question as to a compromise with any of the contributories or creditors, or in and about any other proceedings before him relating to the winding up of the company, and may remove the person or persons so appointed. In case more than one person shall be so appointed, they shall unite in employing the same attorney to represent them.

APPEARANCE TO BE FILED BEFORE ATTENDANCE.

733. No contributory or creditor shall be entitled to attend any proceedings before the Judge unless and until he has filed an appearance with the Prothonotary and Senior Master. A book to be called the Appearance Book shall be kept in which all such appearances shall be entered. (Form No. 64).

SERVICE OF SUMMONSES, NOTICES, ETC.

SERVICE HOW EFFECTED.

734. Services upon contributories and creditors shall be effected, except where personal service is required, by sending the notice, or

a copy of the petition, summons or order or other document, through the post in a registered letter, addressed to the attorney (if any) of the party to be served or otherwise to the party himself, if a contributory to his last known address or place of abode, and if a creditor, to the address given by him pursuant to Rule 694 and such notice or copy of petition, summons, order by other document shall be considered as served at the time the same ought to be delivered in due course of delivery by the Post Office, and notwithstanding the same may be returned by the Post Office.

NAME OF PERSON INCOMPLETE.

735. No service under these Rules shall be deemed invalid by reason that any name other than the surname of the person (if the said person be a European) or any name other than the final name ordinarily used by the person (being other than a European) on whom service is sought to be made has been omitted, or designated by initial letters, in the list of contributories or in the petition, summons, order, notice or other document, wherein the name of such contributory or creditor is contained, provided the Court is satisfied that such service is in other respects sufficient.

TRANSFERRED OF WINDING UP FROM HIGH COURT TO DISTRICT COURT UNDER SECTIONS 164 AND 165 OF THE ACT.

736. Applications for the transfer of winding up proceedings either from the High Court to District Court, or from one District Court to another, as the case may be shall be made by petition which shall be filed in Court. Upon the filing of such petition as aforesaid the Judge shall give such orders and directions and direct that an advertisement thereof be made as the nature of the case may require, and shall fix a date for the hearing of such petition.

ORDER FOR TRANSFER.

737. When the petition in the last preceding Rule has been heard and an order thereon passed by the Court, the Court shall thereupon make an order for transferring the winding up proceedings. (Forms Nos. 65 and 66).

TERMINATION OF WINDING UP PROCEEDINGS.

738. Upon the termination of the proceedings for the winding up of any company, a balance sheet shall be brought in by the official liquidator of his receipts and payments, and verified by his affidavit; and the official liquidator shall pass his final account, and the balance (if any) due on the final account shall be certified by the Judge, and upon payment by the official liquidator of the balance (if any) in such manner as the Judge shall direct, the recognisances entered into by the official liquidator and his sureties may be vacated. (Form No. 69).

DISSOLUTION OF COMPANY.

739. Where the official liquidator has passed his final account, and the balance (if any) due thereon has been paid in such manner as the Judge shall direct, the official liquidator shall, in case the company has not been already dissolved, apply to the Judge for an

order that the company be dissolved from the date of such order. (Form No. 69).

DEPOSIT OF PROCEEDINGS IN COURT.

740. When the proceedings for winding up any company have been completed, the file of proceedings and the book containing the official liquidator's account shall be deposited in the records of the Court.

NOTICE BY LIQUIDATOR IN VOLUNTARY WINDING OF HIS APPOINTMENT.

741. The liquidator in a voluntary winding up shall, within 21 days after his appointment, file with the Registrar of Joint Stock Companies a notice of his appointment as required by Section 208 of the Act. (Form No. 70).

TIMES FOR FILING LIQUIDATOR'S STATEMENTS, AND REGULATIONS APPLICABLE THERETO.

742. The statements with respect to the proceedings in and position of the liquidation of a company, the winding up of which is not concluded within a year after its commencement shall be filed with the Registrar twice in every year as follows:—

(1) The first statement, commencing at the date when a liquidator was first appointed and brought down to the end of 12 months from the commencement of the winding up shall be filed within 30 days from the expiration of such 12 months; and the subsequent statements shall be filed at intervals of half a year, each statement being brought down to the end of the half year for which it is filed.

(2) Form No. 71 with such variations as the circumstances may require, shall be used.

(3) Every statement shall be verified by affidavit in Form No. 72.

LIQUIDATOR'S STATEMENTS IN VOLUNTARY LIQUIDATIONS.

743. The statements required by Section 216 of the Act to be laid before the general meetings of a company, the voluntary winding up of which continues for more than one year, shall, with such variations as circumstances may require, be in the same form and contain the same particulars as the statements mentioned in Rule 742.

FORMS.

744. The Forms set forth in the first schedule with such variations as the circumstances of each case may require may be used for the respective purposes mentioned in such schedule.

DUTIES OF ATTORNEY OF OFFICIAL LIQUIDATOR.

745. The attorney, or, in Courts other than the High Court, the vakeel, of the official liquidator shall conduct all such proceedings as are ordinarily conducted by attorneys of the High Court, or by Vakeels in such other Courts; and where the attendance of his attorney or vakeel is required on any proceedings in Court or Chambers, the official liquidator need not attend in person, except in cases where his presence is necessary in addition to that of his attorney or vakeel, or the Court shall direct him to attend.

ATTORNEY'S FEES.

746. Attorneys and vakeels shall be entitled to charge and be allowed the fees set forth and referred to in the second schedule to these rules (so far as the same are applicable) unless the Court shall otherwise specially direct: Provided that rule 561 shall not be applicable to any bill of costs taxed in a Court Subordinate to the High Court.

(*Note:*—Rule No. 561 relates to Addition of 33 1|3 per cent to be made to every bill of cost).

TAXATION OF COSTS.

747. Where an order is made by the High Court in Court or in Chambers for payment of any costs, the order shall direct the taxation thereof by the Taxing Officers; except in cases where a gross sum in lieu of taxed costs is fixed by the order.

GENERAL POWER OF COURT.

748. The power of the Court or a Judge to enlarge or abridge the time for doing any act, or taking any proceedings, to adjourn, or review any proceeding, and to give any direction as to the course of proceeding, is unaffected by these rules.

ACCOUNTS, ETC., TO BE FILED IN PROTHONOTARY AND SENIOR MASTER'S OFFICE.

749. All accounts, lists, notices and other documents directed by these Rules to be filed in Court shall be filed in the office of the Prothonotary and Senior Master of the Court.

GENERAL PRACTICE TO APPLY.

750. In cases not provided for by these rules or by rules of procedure laid down in the Act, the practice and procedure of the High Court of Justice in England in matters relating to companies shall be followed so far as they are applicable and not inconsistent with these rules and the Act.

AFFIDAVITS AND ATTORNEYS.

751. In all cases in which by law a person may make a solemn affirmation instead of an affidavit, the word affidavit in these rules shall be deemed and taken to mean a solemn affirmation; and in proceedings in Courts, other than the High Court on its original jurisdiction side, the word attorney in these rules shall be deemed and taken to mean a vakeel.

APPLICATION OF RULES.

752. These rules apply to proceedings under the Indian Companies Act, 1913; as to winding up proceedings continued under the Indian Companies Act, 1882, in pursuance of Section 284 of the Act, the same shall be regulated by the rules made under the Indian Companies Act, 1882, which rules, for the purpose of such winding up, shall be deemed to remain in full force.

FIRST SCHEDULE.

FORMS IN PROCEEDINGS FOR REDUCTION OF CAPITAL.

1. Form of order (Rule 655).
2. Advertisement, presentation of petition (Rule 656).
3. Affidavit verifying list of creditors (Rule 658).
4. Notice to creditor (Rule 660).
5. Advertisement of list of creditors (Rule 661).
6. Affidavit of list of persons who have sent in claims (Rule 662).
7. Notice to creditors to come in and prove debt (Rule 666).
8. Advertisement of day fixed for hearing petition (Rule 667).
9. Order confirming reduction (Rule 671)..
10. Order sanctioning scheme of arrangement.

FORMS IN WINDING UP PROCEEDINGS.

11. Form of advertisement of petition to wind up (Rule 673).
12. Affidavit verifying petition (Rule 675).
13. Form of order for winding up by the Court (Sections 162 and 170 of the Act).
14. Form of order for winding up subject to supervision (Sections 221 and 222 of the Act).
15. Advertisement of order to wind up (Rule 678).
16. Advertisement of time and place fixed for the appointment of official liquidator (Rule 681).
17. Proposal for appointment of official liquidator (and sureties) when Form No. 16 has been issued.
18. Recognisance of official liquidator and sureties (Rule 682).
19. Affidavit of sureties (Rule 682).
20. Order appointing official liquidator (Rules 682 and 683).
21. Order appointing a provisional official liquidator (Rules 682, 683, 687 and 730).
22. Sanction of appointment of attorney or vakeel to official liquidator and appointment (Section 181 of the Act).
23. Order for payment of money or delivery of books, etc., to the official liquidator (Sections 185 and 187 of the Act).
24. Direction to open account at the Imperial Bank of India (Rules 683, 706, 711, 716 and 717).
25. Advertisement of appointment of official liquidator (Rule 686).
26. Advertisement for creditors (Rule 694).
27. Affidavit of official liquidator as to debts and claims (Rules 696).
28. Exhibit referred to in affidavit No. 27.
29. Notice to creditors of allowance of debt (Rule 697).
30. Notice to creditors to come in and prove their debts (Rule 698).
31. Affidavit of creditor in proof of debt (Rule 698).
32. Settlement by the Judge of debts and claims (Rule 702).
33. Notice to creditor to attend to receive debt (Rule 702).
34. Affidavit in support of list of contributories (Rule 703).
35. List of contributories referred to in Form No. 34 (Rule 703).
36. Notice to contributories of appointment to settle list of contributories (Rule 704).
37. Affidavit of service of notice (Rule 704).
38. The schedule referred to in Form No. 37.

39. Affidavit in support of supplemental list of contributories (Rule 703).
40. Supplemental list of contributories referred to in Form No. 39.
41. Settlement by the Judge of list of contributories (Rule 705).
42. Order on application to vary list (Rule 705).
43. Affidavit of official liquidator in support of proposal for call (Rule 707).
44. Summons for intended call (Rule 707).
45. Advertisement of intended call (Rule 707).
46. General order for a call (Rule 710).
47. Notice to be served with the general order for a call (Rule 710).
48. Affidavit in support of application for order for payment of call due from contributory (Rule 709).
49. Order for payment of call due from contributory (Rule 709).
50. Notice to be endorsed on or served with every order directing payment of money into the Imperial Bank of India or into Court (Rule 714).
51. Certificate of payment of money into the Imperial Bank or in Court.
52. Affidavit of service of order for payment of call (Rule 709).
53. Affidavit of non-payment of money by order directed to be paid into the Imperial Bank of India or into Court (Rule 715).
54. Request to invest cash in Grovernment Promissory Notes (Rule 718).
55. Request to sanction investment of cash in Government Promissory Notes to the District Court (Rules 718).
56. Notice (or advertisement) of meeting of creditors or contributories (Rule 720).
57. Memorandum of appointment of a person to act as Chairman at meeting of creditors or contributories (Rule 721).
58. Appointment of proxy to vote at meeting of creditors or contributories (Rule 722).
59. Chairman's report of result of meeting of creditors or contributories (Rules 720, 721 and 722).
60. Memorandum of sanction of Judge to accepting bills of exchange (Rule 723).
61. Memorandum of agreement of compromise with a contributory (Rule 724).
62. Memorandum of sanction of Judge to agreement of compromise.
63. Order or memorandum of the sanction of the Court for certain acts to be done by the official liquidator (Rule 725).
64. Appearance Book (Rule 733).
65. Form of order transferring winding up proceedings from High Court to a District Court (Rule 737).
66. Form of order transferring winding up proceedings from one District Court to another (Rule 737).
67. Summons for persons to attend at Chambers to be examined (Section 195 of the Act).
68. Declaration of the company being completely wound up, and of the official liquidator having passed his final account (Rule 738).
69. Order to dissolve the company (Rule 739).
70. Notice by liquidator in voluntary winding up of his appointment (Rule 741).
71. Liquidator's statement of account (Rule 742).
72. Affidavit verifying statement of liquidator's account (Rule 742).

THE FIRST SCHEDULE.

FORMS IN PROCEEDINGS FOR REDUCTION OF CAPITAL.

NO. 1.—FORM OF ORDER.

(Rule 655).

(For General Heading, *See* Rule 650).

Upon the application of the petitioners by summons, dated..... .....and upon hearing the attorneys for the petitioners, and on reading the petition on the.....day of.....preferred unto the Honourable the Chief Justice and the Judges of the said High Court. It is ordered, that an enquiry be made what are the debts, claims and liabilities of or affecting the said company on the .....day of.....19...., and that notice of the presentation of the said petition be inserted in (.....) on the.....day of.....and (.....) and that a list of the persons who are creditors of the company on the said.....day of.....and the affidavit verifying the same be filed in the office of the Prothonotary and Senior Master of the said High Court on or before the.....day of..... .....

And it is further ordered that any creditor whose name does not appear in such list or who claims to be a creditor for a larger amount than that for which he is entered in such list shall on or before the.....day of.....send in his name and address and the particulars of his debt or claim and the name and address of his attorney (if any) to the attorney of the company and it is further ordered that the notice of the day so fixed at last afore-mentioned shall be given in writing by registered post to every creditor whose name appears in such list and such notice shall be inserted in.....on the..... day of.....and in..... .....on the .....day of.....and it is further ordered that the attorney of the company and some competent officer or officers of the company do on or before the.....,day of .....make and file an affidavit stating the result of such notices and varifying the names and addresses of the persons (if any) who shall have sent in particulars of their debts and claims in pursuance of such notices respectively and the amounts of such debts or claims distinguishing which if any of such debts or claims are wholly or as to any and what part thereof admitted by the company and which (if any) of such debts and claims are wholly or as to any and what part thereof disputed by the company.

No. 2.—(SEE RULE 656).

(For General Heading, *See* Rule 650).

Notice is hereby given that the petition for confirming a resolution reduction the capital of the above company from rupees..... to rupees.....was on the.....day of..... presented to the Honourable.....and is now pending; and that the list of creditors of the company is to be made out as for the day of..... 19 . .

C. & D., attorneys to the company.

NO. 3.—AFFIDAVIT VERIFYING LIST OF CREDITORS.

(Rule 658).

(For General Heading, *See* Rule 650).

I, A. B. of, etc., make oath and say as follows:—

1. The paper writing now produced and shown to me, and marked with the letter A, contained a list of the creditors of and persons having claims upon the said company on the..... day of..... 19..... (the date fixed by order in this matter dated.....) together with their respective addresses, and the nature and amount of their respective debts or claims, and such list is, to the best of my knowledge, information and belief, a true and accurate list of such creditors and persons having claims on the day aforesaid.

2. To the best of my knowledge and belief there was not, at the date aforesaid, any debt or claims which, if such date were the commencement of the winding up of the said company, would be admissible in proof against the said company other than and except the debts set forth in the said list. I am unable to make this statement from facts within my knowledge as the.....of the said company and from information derived upon investigation of the affairs and the books, documents and papers of the said company. Sworn, etc.

LIST OF CREDITORS REFERRED TO IN THE LAST FORM.

A.

In the matter, etc.

This list of creditors, marked A., was produced and shown to A. B., and is the same list of creditors as is referred to in his affidavit sworn before me this.....day of.....19.....

X. Y., etc.

Names, Addresses and Descriptions of the Creditors.	Nature of Debt or Claim.	Amount of Debt or Claim.

No. 4.—(See Rule 660).

(For General Heading, *See* Rule 650).

To. Mr.

You are requested to take notice that a petition has been presented to the Court of....., to confirm a special resolution of the above company for reducing its capital to rupees .....and that in the list of persons admitted by the

company to have been on the..... day of..... creditors of the company, your name is entered as a creditor (*here state the amount of the debt or nature of the claim*).

If your claim to have been on the last-mentioned day a creditor to a larger amount than is stated above you must on or before the .....day of.....send the particulars of your claim and the name and address of your attorney (if any) to the undersigned at..... In default of your so doing the above entry in the list of creditors will, in all proceedings under the above application to reduce the capital of the company, be treated as correct.

Dated the.....day of..... 19.....

A. B.,
Attorney for the said Company.

No. 5.—(See Rule 661).

(For General Heading, *See* Rule 650).

Notice is hereby given that a petition has been presented to the High Court of Judicature at Bombay for confirming a resolution of the above company for reducing its capital from rupees to rupees ..... A list of the persons admitted to have been creditors of the company on the.....day of.....19..... may be inspected at the offices of the Company at....., or at the office of.....at any time during usual business hours on payment of the charge of Re. 1.

Any person who claims to have been on the last-mentioned day and still to be a creditor of the company, and who is not entered on the said list and claims to be so entered, must on or before the .....day of.....send in his name and address, and the particulars of his claim, and the name and address of his attorneys (if any) to the undersigned at.....or in default thereof he will be precluded from objecting to the proposed reduction of capital.

Dated this.....day of.....19.....

A. B.,
Attorney for the said Company.

No. 6.—(Rule 662).

(For General Heading, *See* Rule 650).

We, C. D., of etc. (the secretary or agent of the said company), E. F., of etc. (the attorney of the said company) and A. B., of etc. (the managing director of the said company), severally make oath and say as follows:—

I, the said C. D., for myself, say as follows:—

1. I did, on the.....day of.....19.....in the manner hereinafter mentioned serve a true copy of the notice now produced and shown to me, and marked B, upon each of the respective persons whose names and addresses, and descriptions appear in the first column of the list of creditors, marked A, referred to in the affidavit of..... filed on the.....day of.....19.....

Rule 660

2. I served the said copies of the said notice upon the persons respectively mentioned in the said list, by sending such copies on

the.....day of.....by registered post to the said persons respectively to their respective addresses as appearing in the said list, being the last known addresses or places of abode of such persons respectively.

And I, the said E. F., for myself, say as follows:—

3. A true copy of the notice now produced and shown to me, and marked C, has appeared in the.....(If notice issued under of.....the.....day of Rule 651)..... 19...., the.....of.....the.....day of..... 19...., etc.

Rule 662

4. I have, in the paper writing now produced and shown to me, and marked D, set forth a list of all claims, the particulars of which have been sent in to me pursuant to the said notice B now produced and shown to me by persons claiming to be creditors of the said company for larger amount than are stated in the list of creditors, marked A, referred to in the affidavit of.....filed on the..... day of.....19.....

If notice issued under Rule 661

5. I have, in the paper writing now produced and shown to me, marked E, set forth a list of all claims, the particulars of which have been sent in to me pursuant to the notice referred to in the third paragraph of his affidavit by persons claiming to be creditors of the said company on the day of.....19...., not appearing on the said list of creditors, marked A, and who claimed to be entered thereon.

And we, C. D., and A. B., for ourselves, say as follows:—

Rule 662

6. We have, in the first part of the said paper writing, marked D (now produced and shown to us) and also in the first part of the said paper writing marked E (also produced and shown to us), respectively set forth such of the said debts and claims as are admitted by the said company, to be due wholly or in part, and how much is admitted to be due in respect of such of the same debts and claims, respectively as are not wholly admitted.

Rule 662

7. We have, in the second part of each of the said paper writings, marked D, and E, set forth such of the said debts and claims as are wholly disputed by the said company.

8. In the said exhibits D and E are distinguished such of the debts the full amounts whereof are proposed to be set apart and appropriated in such manner as the Judge shall direct. Sworn, etc.

EXHIBIT D REFERRED TO IN THE LAST-MENTIONED AFFIDAVIT.

D.

In the matter, etc.

List of debts and claims of which the particulars have been sent in to..... by persons claiming to be creditors of the said company for larger amounts than are stated in list of creditors made out by the company.

This paper writing, marked D, was produced and shown to C. D., E. F., and A. B., respectively, and is the same as is referred to in their affidavit sworn before me this.....day of..... 19.....

X. Y., etc.

FIRST PART.—DEBTS AND CLAIMS WHOLLY OR PARTLY ALMITTED BL THE COMPANY.

Names, Addresses and Description of Creditors.	Debt or Claim.	Amount Claimed.	Amount Admitted by the Company to be owing to Creditors.	Debt proposed to be set apart and Appropriated in full although Disputed.

SECOND PART.—DEBTS AND CLAIMS WHOLLY DISPUTED BY THE COMPANY.

Names, Addresses and Description of Claimants.	Particulars of Claims.	Amount Claimed.	Debts Proposed to be set apart and Appropriated in full although Disputed.

EXHIBIT E REFERRED TO IN THE LAST AFFIDAVIT.

E.

In the matter, etc.

List of debts and claims of which the particulars have been sent in to Mr.....by persons claiming to

be creditors of the company and to be entered on the list of the creditors made out by the company.

This paper writing, marked E, was produced and shown to C. D., E. F. and A. B., respectively and is the same as is referred to in their affidavit, sworn before me this.....day of..... .....19.....

X. Y., etc.

FIRST PART.—(SAME AS IN EXHIBIT D).
SECOND PART.—(SAME AS IN EXHIBIT D).

Note.—The names are to be inserted alphabetically.

No. 7.—(Rule 663).

(For General Heading, *See* Rule 650).

To Mr.

You are hereby required to come in and prove the debt claimed by you against the above company, by filing your affidavit, and giving notice thereof to Mr....., the attorney of the company on or before the.....day of..... .....next; and you are to attend in person or by your attorney at the Chambers of the Honourable.....at the High Court on the.....day of..... ...19...., at..... o'clock in the.....noon, being the time appointed for hearing and adjudicating upon the claim, and produce any securities or document relating to your claim.

In default of your complying with the above directions, you will (be precluded from objecting to the proposed reduction of the capital of the company), or (in all proceedings relative to the proposed reduction of the capital of the company, be treated as a creditor for such amount only as is set against your name in the list of creditors).

Dated this.....day of.....19.....

A. B.,
Attorney for the said Company.

No. 8.—(See Rule 667).

(For General Heading, *See* Rule 650).

Notice is hereby given that a petition presented to the Honourable.....on the.....day of..... ....., for confirming a reduction of the capital of the above company from Rs.....to Rs....., is directed to be heard before the Honourable.....on the..... day of.....19.....

C. and D. of
(Agents for E. and F. of.....)

Attorney for the Company.

No. 9.—(See Rule 671).

Indian Companies Act Order confirming reduction of capital.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY.
ORDINARY ORIGINAL CIVIL JURISDICTION.
Suit No.....of 19.....
Coram:

GEORGE V, by the grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India.

In the matter of the Indian Companies Act

and

In the matter of.....
Petitioner.

Upon the petition of.....and Reduced on the.....day of..... 19...., preferred unto this Honourable Court and upon hearing Mr..... .....Advocate (O.S.) for the petitioner company this day and upon reading the said petition and the Order dated the .....day of.....19....and the several exhibits therein referred to and the Bombay Government Gazette of the .....day of.....19....and the..... and.....newspapers of the.....day of..... .....19....each containing a notice of presentation of the petition pursuant to the said Order the Judge's certificate dated the .....day of.....19...., the.....and .....newspapers of the.....day of..... .. 19...., each containing an advertisement of notice that the said petition was appointed to be heard on the..... day of.....19...., and none of the creditors appearing either in person or by Advocate (O.S.) this Court doth Order that the reduction of capital proposed to be effected by the special Resolution passed and confirmed at the two Extraordinary General Meetings of the petitioner company held respectively on the..... day of.....19...., and on the.....day of .....19...., and which resolution was in the words and figures following.....be and the same is hereby confirmed and this Court doth further approve of the minute set forth in the Schedule A hereto and this Court doth further Order that a certified copy of this Order be produced to the Registrar of Companies, Bombay, and be delivered to him together with a copy of the minute in the words or to the effect set forth in the said Schedule A hereto and this Court doth further Order that notice of the registration of this Order and of the said minute be published as follows; that is to say once in the Bombay Government Gazette, the.....and.....and..... .....newspapers after such registration and this Court doth lastly Order that the said company be at liberty after four weeks from the date hereof to discontinue the addition to its name of the words "and reduced."

Witness.....Chief Justice at Bombay aforesaid, this.....day of.....19.....

Sealed.

The.....day of.....19.....

Order drawn on application of } By the Court Prothonotary and Senior Master.

SCHEDULE.

No. 10.

Indian Companies Act. Order sanctioning scheme of arrangement

IN THE HIGH COURT OF JUDICATURE AT BOMBAY.
ORDINARY ORIGINAL CIVIL JURISDICTION.
Suit No.....of 19.....
Coram:

GEORGE V, by the Grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India.

In the matter of the Indian Companies Act VII of 1913, and

In the matter of

Applicant.

Upon the petition of the abovenamed.....whose registered office is situate at .....within the Fort of Bombay on the.....day of.....19...., preferred unto this Honourable Court, and upon hearing Advocate (O.S.) for the applicants and upon reading the said petition the Judge's Order dated the.....day of.....19...., whereby the said company was ordered to convene separate meetings of the holders of its Old Issue Ordinary Shares and New Issue Ordinary Shares for the purpose of considering and if thought fit approving with or without modification a scheme of arrangement proposed to be made between the said company and the holders of such Old Issue Ordinary Shares and New Issue Ordinary Shares and.....respectively the.....and.....newspapers of the .....day of.....19...., each containing an advertisement of the notice convening the said meetings directed to be held by the said order dated the.....day of..... 19...., and the .....and.....newspapers of the .....day of.....19...., each containing a notice of the presentation of the said petition and that the same was appointed to be heard on the.....day of..... 19...., the two affidavits of .....dated respectively the.....day of.....19....and the .....day of.....19...., the affidavit of .....dated the.....day of.....19.... the affidavit of.....dated the.....day of..... 19....and the affidavit of.....dated the..... day of.....19.... and the exhibits in the said affidavits or some of them respectively referred to and the report dated the .....day of.....19....of the result of the meetings directed to be held by the said Judge's Order dated the..... day of.....19...., this Court doth hereby sanction the scheme of arrangement as set forth in exhibit A to the said petition

dated the.....day of.....19.... and in the Schedule A hereof and doth declare the same to be binding on the holders of the Old Issue Ordinary Shares and New Issue Ordinary Shares of the said company and on the said company and this Court doth further Order that the abovenamed..... Co., Ltd., do file a certified copy of this Order with the Registrar of Companies, Bombay, and this Court doth lastly Order that the costs of the applicants of the said petition and of this Order and of the Judge's Order dated the.....day of.....19.... be paid out of the asstes of the said company when taxed and noted in the margin hereof.

Witness.....Chief Justice at Bombay aforesaid, this.....day of.....19.....

Sealed

The.....day of.....19.....

Order drawn on application of } By the Court, Prothonotary and Senior Master.

SCHEDULE AS REFERRED TO IN THE FOREGOING ORDER SANCTIONING SCHEME OF ARRANGEMENT.

FORMS IN WINDING UP PROCEEDINGS.

NO.11.—ADVERTISEMENT OF PETITION.

(RULE 673).

(For General Heading, *See* Rule 650).

Notice is hereby given that a petition for the winding up of the abovenamed company by the (or subject to the supervision of the) High Court of Judicature at Bombay (or District Court of.....) was on the.....day of.....19...., presented to.....by the said company (or A. B., of....., a creditor or contributory of the said company or as the case may be). And that the said petition is directed to be heard before.....on the.....day of 19.....; and any creditor or contributory of the said company desirous to oppose the making of an order for the winding up of the said company under the above Act, should appear at the time of hearing by himself or his counsel for that purpose; and a copy of the petition will be furnished to any creditor or contributory of the said company requiring the same, by the undersigned, on payment of the regulated charge for the same.

C. and D. of, etc.
Attorneys for the petitioners.

No. 12.—AFFIDAVIT VERIFYING PETITION.

(RULE 675).

(For General Heading, *See* Rule 650).

I, A. B., of, etc., make oath and say (or do solemnly affirm) that such of the statements in the petition now produced and shown to me, and marked with the letter A, as relate to my own acts and deeds, are true, and such of the said statements as relate to the acts and deeds of any other persons or person I believe to be true.

Sworn, etc.,
or solemnly affirmed, etc.

No. 13.—ORDER FOR WINDING UP BY THE COURT.
(SECTION 162 AND 170 OF THE ACT).
(For General Heading, *See* Rule 650).

Upon the petition of the abovenamed company or, A. B., of, etc., a creditor (or contributory of the abovenamed company) on the .....day of.....19...., preferred unto the said Court. and upon hearing counsel for the petitioner, and for.....and upon reading the said petition, an affidavit (or solemn affirmation) of the said petitioner, filed, etc., verifying the said petition, and affidavit (or solemn affirmation of S. M.) filed the.....day of.....19...., the Bombay Government Gazette of the.....day of....., the .....of the.....day of.....19.... (enter any other paper) each containing an advertisement of the said petition (enter any other evidence) this Court doth Order that the said..... company be wound up by this Court under the provisions of the Indian Companies Act, 1913.

No. 14.—ORDER FOR WINDING UP, SUBJECT TO SUPERVISION.
(SECTIONS 221 AND 222 OF THE ACT).
(For General Heading, *See* Rule 650).

Upon the petition, etc., this Court doth Order that the voluntary winding of the said.....company be continued, but subject to the supervision of the Court; and any of the proceedings under the said voluntary winding up may be adopted as this Court shall think fit. And the creditors, contributories, and liquidators of the said company, and all other persons interested, are to be at liberty to apply to a Judge of this Court in Chambers as there may be occasion.

No. 15.—ADVERTISEMENT OF ORDER TO WIND UP.
(RULE 678).
(For General Heading, *See* Rule 650).

By an order made by the High Court of Judicature at Bombay (or District Court.....) in the above matter, dated the..... day of.....19...., on the petition of the abovenamed company (or A. B., of.....): It was ordered that, etc., *as in order.*

C. and D., of etc.
Attorneys for the said petitioner.

No. 16.—ADVERTISEMENT OF TIME AND PLACE FIXED FOR THE APPOINTMENT OF OFFICIAL LIQUIDATOR.
(RULE 681).
(For General Heading, *See* Rule 650).

Notice is hereby given that the Honourable Mr. Justice.....(or the Judge of the District Court of.....) has fixed the.....day of .....19...., at.....o'clock in the noon,....., at his Chambers in the Court House of the High Court at Bombay (or at the District Court House at.....) at the time and place for the appointment of an official liquidator of the abovenamed company.

G. H.,
Prothonotary and Senior Master.
(Or as the case may be).

No. 17.—PROPOSAL FOR APPOINTMENT OF OFFICIAL LIQUIDATOR (AND SURETIES) WHERE FORM NO. 16 HAS BEEN ISSUED.
(For General Heading, *See* Rule 650).

We, the undersigned contributories of the abovenamed company for the number of shares placed opposite our respective names, hereby propose Mr. R. P. H., of, etc., public accountant, to be the Official liquidator of the said company (and H. N., of, etc. and J. P., of, etc., to be his sureties).

Name.	Address.	Number of Shares held.

No. 18.—RECOGNISANCE OF THE OFFICIAL LIQUIDATOR AND SURETIES.
(RULE 682).
(For General Heading, *See* Rule 650).

The Honourable Mr. Justice.....(or the Judge of the District Court.....) has approved of and allowed this recognisance .....G. H., Prothonotary and Senior Master (or as the case may be).

R. P. H., of, etc., W. B., of, etc., and T. P. of, etc., in High Court of Judicature at Bombay (or District Court of) personally appearing, do acknowledge themselves, and every of them doth acknowledge himself to owe the respective sums of money set opposite to their respective names in the schedule hereto to be paid to the Honourable Mr. Justice....., a Judge of the said High Court (or to....., Esquire, Judge of the said District Court of.....), his successors in office or assigns; and in default of payment of the said respective sums, the said R. P. H., W. B., and T. P., are willing and do agree each for himself, his heirs, executors and administrators, by these presents, that the said sums shall be levied, recovered and received of and from them and every of them, and of and from them and every of them and of and from all and singular the manors, messuages, lands, tenements and hereditaments, goods and chattels of them and every of them wheresoever the same shall be found. Witness.....the .....day of.....19..... Whereas in the matter of, etc., (take title from order to wind up), the High Court of Judicature at Bombay (or District Court of.....), has by an order dated the.....day of.....19....., appointed the said R. P. H., official liquidator of the said company, and

has thereby directed him to give security to be approved of by the said Court, or (in case the security proceeds the order appointing) has approved of the said R. P. H., as a proper person to be appointed official liquidator of the said company (upon his giving security). And whereas the said Judge has approved of the said W. B., and T. P., to be sureties for the said R. P. H., in the amounts set opposite to their respective names in the schedule hereto and has also approved of the above-written recognisance, with the under-written condition as a proper security to be entered into by the said R. P. H., W. B., and T. P., pursuant to the said order and (or pursuant to) the general order of the said Court in that behalf; and in testimony of such approbation the Honourable....., one of the Judges of the said Court (or in a District Court)....., Esq. (the Judge of the said Court), hath signed an allowance in the margin hereof: Now the condition of the above-written recognisance is such that if the said R. P. H., his executors or administrators or any of them do and shall duly account for what the said R. P. H., shall receive, or become liable to pay, as official liquidator of the said company at such periods and in such manner as the said Court shall appoint, and pay the same as the said Court hath (by the said order) directed, or shall hereafter direct, then the above recognisance to be void, otherwise to remain in full force and virtue.

THE SCHEDULE ABOVE REFERRED TO.

R. P. H. .. .. .. thousand rupees.
W. B. .. thousand rupees.
T. P. .. .. .. thousand rupees.

Taken and acknowledged by the abovenamed R. P. H., etc., etc.,

No. 19.—AFFIDAVIT OF SURETIES.
(RULE 682).

(For General Heading, *See* Rule 650).

We, W. B., of, etc., and T. P., of, etc., severally make oath and say (or solemnly affirm) as follows:—

1. I, the said W. B. for myself, say that I am worth the sum of rupees.....of lawful money of British India, over and above what is sufficient for the payment of all my just debts and liabilities.

2. And I, the said T. P., for myself, say that I am worth the sum of rupees of, etc. (as above).

Sworn, etc.
(or solemnly affirmed).

No. 20.—ORDER APPOINTING AN OFFICIAL LIQUIDATOR.
(Rules 682 and 683).

(For General Heading, *See* Rule 650).

The.....day of.....19.....

Upon the application, etc., and upon reading, etc., the Court doth hereby appoint R. P. H., of, etc., official liquidator of the abovenamed company. (If security has not been given and has not been dispensed with add, and it is ordered that the said R. P. H., do, on or before the.....day of.....next, give security to be approved of by the Court). And it is order that the said R. P. H., on the.....day of.....and.....

day of.....19...., and the same days in each..... succeeding year, file his accounts in the office of the Prothonotary and Senior Master (or office) of the said Court (or in the case of a District Court in the District Court at.....) and it is ordered that all moneys to be received by the said R. P. H., be paid by him into the Imperial Bank of India (or the branch nearest to the Court in which the matter is pending, or in the case of a District Court into the District Court at.....) to the credit of the account of the official liquidator of the said company, within seven days after the receipt thereof. (In case two or more official liquidators are appointed add) and the said Court doth declare that the following acts required or authorised by the above Act to be done by the official liquidators may be done by either (or any, or two) of the official liquidators hereby appointed, that is to say (describe the acts), and all other acts so required or authorised to be done by both (or all) the official liquidators hereby appointed. And it is ordered that an office copy of this order be lodge at the Imperial Bank of India or branch thereof as aforesaid.

No 21.—ORDER APPOINTING A PROVISIONAL OFFICIAL LIQUIDATOR
(Rules 682, 683, 687 and 730).
(For General Heading, *See* Rule 650).

The . day of .. ..19. .

Upon the application, etc., and upon reading, etc., the Court doth hereby appoint R. P. H., of, etc., provisionally, official liquidator of the abovenamed company. (If security dispensed with add, without security, or if security is to be given add direction as to security account and payment into the Bank as in Form No 20) And the said Court doth hereby limit and restrict the powers of the said R. P. H., as such provisional official liquidator to the following acts, that is to say (describe the acts which the provisional official liquidator is to be authorised to do)

No 22.—SANCTION OF APPOINTMENT OF ATTORNEY TO OFFICIAL LIQUIDATOR AND APPOINTMENT.
(*See* Section 181 of the Act)
(For General Heading, *See* Rule 650)

The Court sanctions the official liquidator appointing an attorney (or vakeel) to assist him in the performance of his duties

I hereby appoint .. L. H., to be my attorney in this matter dated this . day of ... .19 .

R. P. H.,
Official Liquidator.

No 23.—ORDER FOR PAYMENT OF MONEY OR DELIVERY OF BOOKS, ETC., TO THE OFFICIAL LIQUIDATOR.
(*See* Section 185 and 187 of the Act)
(For General Heading, *See* Rule 650).

Upon the application of, etc., and on reading, etc., it is ordered that A. B., of, etc., do, within four days after service hereof, pay to (or deliver, convey, surrender or transfer to or into the hands of) R. P. H., the official liquidator of the said company, at the office of the said R. H., situate at, etc., the sum of rupees.....,

being the amount of debt appearing to be due from the said A. B., on his account with the said company (or any sum or balance, books, papers, estate or effects specifying the property) now being in the hands of the said A. B., and to which the said company is *prima facie* entitled (or otherwise as the case may be).

No. 24 —DIRECTION TO OPEN ACCOUNT AT THE IMPERIAL BANK OF INDIA

(Rules 683, 706, 711, 716 and 717).

(For General Heading, *See* Rule 650).

To the Secretary and Treasurer of the Imperial Bank of India (or the Agent of the branch of the Imperial Bank of India at ....).

Sir,

An order, dated the. ... . ..day of. .. .. 19. ... having been made in the above matter by the High Court of Judicature at Bombay (or District Court of... . . .. .) for winding up the abovenamed company by the Court, under the provisions of the Indian Companies Act, 1913, and R P. H, of,. . . having by order, dated the. . ... ..day of..... .. . ..19 .. been appointed the official liquidator of the said company, you are requested to open an account, to be entitled "The account of the official liquidator of the . ...company," in your books pursuant to the said Act All cheques drawn upon such account must be signed by the official liquidator, ...and by . .. . who has been appointed by the Judge whose signatures are attached hereto

I am, Gentleman,
Your most obedient Servant
G. H.

Signature,
R P H. Official Liquidator
G. W.

In the case of winding up proceedings being carried on in a District Court, the liquidator of the company should present a similar application to the Judge as the above, *mutatis mutandis*, for leave to open such an account in the District Court

No 25— ADVERTISEMENT OF APPOINTMENT OF OFFICIAL LIQUIDATOR

(Rule 686).

(For General Heading, *See* Rule 650).

The Honourable Mr. Justice..... .... (or the District Judge of. . . .) has, by an order, dated the . ..day of . ... ..19 .., appointed R. P. H., of. . .. .. to be official liquidator of the abovenamed company

Dated this... . day of... . .. .. . 19 ..

G. H.

No 26— ADVERTISEMENT FOR CREDITORS.

(Rule 694).

(For General Heading, *See* Rule 650).

The creditors of the abovenamed company are required on or before the.....day of.....19...., to send their names and addresses and the particulars of their debts or claims, and the names and addresses of their attorneys (if any) to R. P. H., of, ... the official liquidator of the said company, and

if so required by notice * in writing from the official liquidator, or in person or by their attorneys to come in and prove their said debts or claims, at such time as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts.....proved.

The.....day of.....19...., at.....o'clock in the noon, at the said....., is appointed for hearing and adjudicating upon the debts and claims.

Dated this.....day of.....19.....

G. H.

NO. 27.—AFFIDAVIT OF OFFICIAL LIQUIDATOR AS TO DEBTS AND CLAIMS

(Rule 696).

(For General Heading, *See* Rule 650).

I, R. P. H., of, etc., the official liquidator of the abovenamed company, make oath and say (or solemnly affirm) as follows:—

1. I have, in the paper writing now produced and shown to me, and marked with the letter A, set forth a list of all the debts and claims, the particulars of which have been sent in to me by persons making claim upon or claiming to be creditors of the said company pursuant to the advertisement issued in that behalf, dated the..... day of.....19...., and the names and addresses of the persons by whom such claims are made.

2. I have investigated the said debts and claims and examined the same with the books and documents of the said company, in order to ascertain, so far as I am able, which of such debts and claims are justly due from the said company: and I have, in the first part of the said list, set forth such of the said debts and claims or parts thereof, as in my opinion are justly due from the said company, and proper to be allowed without further evidence, and I have, in the sixth colum of the said first part of the said list, set forth the amount proper to be allowed in respect of such debts and claims; and I believe that such amounts, respectively, are justly due and proper to be allowed; and I have, in the seventh column of the said first part of the said list, stated by reasons for such belief.

3. I have, in the second part of the said list, set forth such of the said debts and claims as in my opinion ought to be proved by the respective creditors.

Sworn (or solemnly affirmed), etc

NO. 28.—EXHIBIT REFERRED TO IN AFFIDAVIT IN FORM NO. 27

A.

(For General Heading, *See* Rule 650).

This paper writing, marked A, was produced and shown to R.P.H., and is the same as is referred to in his affidavit, sworn (or solemn affirmation made) before me this.....day of.....19

W. B., etc.

List of debts and claims of which the particulars have been sent into the official liquidator.

* For Form of notice, see Form No. 30.

APPENDIX D—SECTION I

FIRST PART.—DEBTS AND CLAIMS WHICH OUGHT TO BE ALLOWED WITHOUT FURTHER EVIDENCE.

Serial Number	Names of Creditors.	Addresses and Descriptions.	Particulars of Debts or Claims.	Amount Claimed	Amount proper to be allowed.	Reasons for belief that amounts are proper to be allowed.
				Rs. a. p.	Rs. a. p.	

SECOND PART.—DEBTS AND CLAIMS WHICH OUGHT TO BE PROVED BY THE CREDITORS.

Serial Number	Number of Creditors.	Addresses and Description.	Particulars of Debts or claims.	Amount claimed
				Rs. a. p.

NO. 29.—NOTICE TO CREDITORS OF ALLOWANCE OF DEBT.

(Rule 697).

(For General Heading, *See* Rule 650).

(Place and date).

SIR,

The debt claimed by you in this matter has been allowed by the Judge at the sum of Rs.... .....(if part only allowed add) if you claim to have a larger sum allowed, you are hereby required to come in and prove the further amount claimed, etc., as in the next form.

I am, etc.,
R. P. H., Official Liquidator

NO. 30.—NOTICE TO CREDITOR TO COME IN AND PROVE THEIR DEBTS

(Rule 698).

(For General Heading, *See* Rule 650)

To, MR. P. R (Place and date).

SIR,

You are hereby required to come in and prove the debt claimed by you against the abovenamed company, by filing your affidavit, and giving notice thereof to me on or before the .day of.. .. .next and you are to attend in person or by your attorney (or vakil) on the . day of. 19 at o'clock in the . .....noon, being the time appointed for—hearing and adjudicating upon the claim

Dated this day of ..19

R. P. H., Official Liquidator

NO. 31.—AFFIDAVIT OF CREDITOR IN PROOF OF DEBT

(Rule 698).

(For General Heading, *See* Rule 650)

To, Mr. P. R.

I, S. T., of, etc. make oath (or solemnly affirm) and say as follows:—

1. The abovenamed company was on the.... .day of . . 19...., the date of the order for winding up the same, and still is justly and truly indebted to me in the sum of rupees..... . for, etc., (Describe shortly the nature of the debt and exhibit any security for it; and in case of a trade debt exhibit vouchers, and verify the reasonableness of the charges, as in proving a debt in a suit).

2. I have not, nor hath nor have any person or persons by my order or to my knowledge or belief for my use, received the sum of rupees..... ... ...or any part thereof, or any security or satisfaction for the same or any part thereof. (If any security add) except the said (described the security) hereinbefore mentioned or referred to. Sworn (or solemnly affirmed, etc.).

NO. 32.—SETTLEMENT BY THE JUDGE OF DEBTS AND CLAIMS.

(Rule 702).

(For General Heading, *See* Rule 650).

The debts and claims which have been allowed are set forth in the first schedule hereto, and with the interest thereon and costs mentioned in the schedule are due to the persons therein named, and amount altogether to Rs.....

In the first part of the said schedule are set forth such of the said debts and claims as carry interest, and the interest thereon has been computed after the rate they respectively carry down to (the present date) date of the winding up.

In the second part of the said schedule are set forth such of the debts and claims as do not carry interest.

The claims set forth in the second schedule hereto have been brought in by the persons therein named and have been disallowed.

THE FIRST SCHEDULE ABOVE REFERRED TO

FIRST PART.—DEBTS AND CLAIMS WHICH CARRY INTEREST.

No.	Names of Creditors	Addresses and Description	Particulars of Debts.	Total Amount
1	J L	Of (address)	On bills of exchange dated, etc.	Rs. a. p.
		Principal	Rs	
		Interest at per cent. per annum from 19 to the date of this certificate.	Rs.	
		Costs of proof		

SECOND PART.—DEBTS AND CLAIMS WHICH DO NOT CARRY INTEREST.

No.	Names of Creditors.	Addresses and Descriptions.	Particulars of Debts.	Interest on Principal.	Total Due.
			Goods Sold.	Rs. as. p.	Rs. as. p.
			Rs. as. p. 50 0 0 2 0 0		
40	W. R.	Of (Address) Principal			
			Total Rs....	2 0 0	
		Cost of Proof.	Add — Total		54 0 0
			First Part . ... Total First and second part		

THE SECOND SCHEDULE ABOVE REFERRED TO.

No.	Names of Creditors.	Addresses and Descriptions.	Particulars of Claims.	Amount Claimed.
				Rs. as. p.

Dated this . day of. . .. 19 . .
(Signature of the Judge or District Judge).

NO 33 —NOTICE TO CREDITOR TO ATTEND TO RECEIVE DEBT.

(Rule 702).
(For General Heading, *See* Rule 650).

SIR,

Upon application at my office, No Street, Bombay, on or after the . instant, between the hours of ten and four o'clock, you may receive a cheque for the amount of your debt allowed in this matter as under

Principal .. ..Rs.
Interest . . . . „
Costs of Proof . . . . . „

Total..... ..Rs.

If you cannot attend personally, the cheque will be delivered to your order, upon your filling up and signing the subjoined form.

The bills or securities (if any) held by you must be produced at the time of such application.

Dated this day of . . ..19....

R P. H., Official Liquidator,

SIR,

Please to deliver to W R, the cheque for Rs.. . .. . referred to in the above letter as payable to me

S. T, Creditor.

To

MR R P. H,
Official Liquidator of the Company.

NO. 34—AFFIDAVIT IN SUPPORT OF LIST OF CONTRIBUTORIES.
(Rule 703).
(For General Heading, *See* Rule 650).

I, R. P. H., of, etc., the official liquidator of the abovenamed company, make oath and say (or solemnly affirm) as follows:—

1. The paper writing now produced and shown to me, and marked with the letter A, contains a list of the contributories of the said company, made out by me from the books and papers of the said company, together with their respective addresses, and the number of shares (or extent of interest) to be attributed to each; and such is, to the best of my knowledge, information and belief, a true and accurate list of the contributories of the said company, so far as I have been able to make out and ascertain the same.

2. I have, in the first part of the said list, marked A, distinguished the persons who are contributories in their own right.

3. I have, in the second part of the said list, marked A, distinguished the persons who are contributories as being representatives of, or being liable for the debts of, others.

Sworn (or solemnly affirmed), etc.

NO. 35.—LIST OF CONTRIBUTORIES REFERRED TO IN FORM NO. 34.

A.

(For General Heading, *See* Rule 650).

This list of contributories, marked A, was produced and shown to R. P. H., and is the same list of contributories as is referred to in the affidavit. Sworn (or solemn affirmation made) before me this ....day of.....19.....

W. B., etc.

FIRST PART.—CONTRIBUTORIES IN THEIR OWN RIGHT.

Serial No.	Name.	Address.	Description.	In what Character included.	Number of Shares (or Extent of interest).

SECOND PART.—CONTRIBUTORIES AS BEING REPRESENTATIVES OF, OR LIABLE FOR THE DEBTS OF, OTHERS.

Serial No.	Name.	Address.	Description.	In what Character included.	Number of Shares (or Extent of interest).

NO 36.—NOTICE TO CONTRIBUTORIES OF APPOINTMENT TO SETTLE LIST OF CONTRIBUTORIES

(Rule 704).

(For General Heading, *See* Rule 650).

The Honourable Mr. Justice.....(or as the case may be) has appointed the.....day of.....19...., at ..... of the clock in the.....noon at....., to.....settled the list of the contributories of the abovenamed company, made out and filed in Court by the official liquidator of the said company, and you are included in such list in the character, and for the number of shares (of extent of interest) stated below, and if no sufficient cause is shown by you to the contrary at the time and place aforesaid the list will be settled by the said Judge, including you therein.

Dated this.....day of.....19.....

R. P. H., Official Liquidator,

To Mr. A. B., and to Mr. C. D., his attorney.

No. on List.	Name.	Address.	Description.	In what Character included.	Number of Shares (or extent of interest).

NO 37 — AFFIDAVIT OF SERVICE OF NOTICE

(Rule 704)

(For General Heading, *See* Rule 650).

I, W S, of, etc., clerk to Messrs. C. and D., of, etc., the attorneys of the official liquidator of the abovenamed company, make oath (or solemnly affirm) and say as follows:—

1. The first six columns of the schedule now produced and shown to me, and marked with the letter A, contain a true copy of the list of contributories of the said company, made out and filed in Court by the said official liquidator, on the . . .day of 19 , and now on the file of proceedings of the said company, as I know from having, on the . . day of. . 19 . ., examined and compared the said schedule, with the said list, and I have in the seventh column of the said schedule, marked A, set forth the names and addresses of the attorneys who have entered appearances for any of the contributories named in the said list.

2. I did, on the ... day of..... ..19 .. in the manner hereinafter mentioned, serve a true copy of the notice now produced and shown to me and marked B, upon each of the said respective persons whose names, addresses and descriptions appear in the second, third and fourth columns of the said schedule, marked A, except that in the tabular form at the foot of such copies respectively I inserted the number on list, name, address, description, in what character included, and number of shares (or extent of interest) of the person on whom such copy of the said notice was served, in the same words and figures as the same particulars are set forth in the said schedule, marked A.

3. I served the said respective copies of the said notice, by putting such copies respectively, duly addressed to such persons respectively or their attorneys, according to their respective names, and addresses appearing in the said schedule, and marked A, and with the proper postage stamps affixed thereto as prepaid letters, into the Post Office receiving house No.... ... in .....Street, Bombay,

(or as the case may be) between the hours of.....and.....of the .....o'clock in the.....of the said.....day of.. ..... Sworn (or solemnly affirmed), etc.

NO. 38.—THE SCHEDULE REFERRED TO IN FORM NO. 37.

A.

(For General Heading, *See* Rule 650).

This schedule marked A, was produced and shown to W. S., and is the same schedule as is referred to in his affidavit. Sworn (or solemnly affirmed) before me this . . ..day of.....19..

W. B., etc.

No. on List	Name	Address	Description	In what Character included	Number of Shares (or extent of interest)	Names and Addresses of Attorneys who have entered appearances, (and) been served with a copy of the Notice referred to in the affidavit of W. S. to which this Schedule is an exhibit.
1	2	3	4	5	6	7

NO. 39.—SUPPLEMENTAL LIST OF CONTRIBUTORIES, AND AFFIDAVIT IN SUPPORT

(Rule 703)

(For General Heading, *See* Rule 650)

I, R. P. H., of, etc., the official liquidator of the abovenamed company, make oath (or solemnly affirm) and say as follows:—

1 Since filing in Court the list of the contributories in the matter, on the. ...day of.....19...., it has come to my knowledge that the several persons whose names are set forth in the supplemental list of contributories now produced and shown to me, and marked with the letter B, are or have been holders of shares (or members) of the said company, and to the best of my judgment,

information and belief, such persons are contributories of the said company.

2. The said supplemental list, marked B, contains the names of such persons, together with their respective addresses, and the number of shares (or extent of interest) to be attributed to each; and such list is, to the best of my knowledge, information and belief, true and accurate.

3. I have, in the first part of the said list, marked B, distinguished such of the said persons as are contributories in their own right.

4. I have, in the second part of the said list, marked B, distinguished such of the said persons as are contributories as being representatives of, or being liable for the debts of, others. Sworn (or solemnly affirmed), etc.

NO 40.—SUPPLEMENTAL LIST OF CONTRIBUTORIES REFERRED TO IN FORM NO. 39.

B.

(For General Headings, *See* Rule 650).

This supplemental list of contributories, marked B, was produced and shown to R. P. H., and is the same supplemental list of contributories as is referred to in his affidavit. Sworn (or solemn affirmation made) before me, this. ... ..day of.....19.....

W. B., etc.

Note.—Supplemental list is to be made out in the same form as the original list. Form No. 35.

NO 41.—SETTLEMENT BY THE JUDGE OF THE LIST OF CONTRIBUTORIES.

(Rule 705).

(For General Heading, *See* Rule 650).

The result of the settlement of the list of the contributories of the abovenamed company, made out and filed in Court by the official liquidator of the said company, on the.....day of..... 19...., pursuant to the above Act and the General Order of this Court in that behalf, so far as the said list has been settled up to the date of this certificate, is as follows:—

1. The several persons, whose names are set forth in the second column of the first schedule hereto, have been included in the said list of contributories as contributories of the said company in respect of the number of shares (or extent of interest) set opposite the names of such contributories respectively in the said schedule.

I have, in the first part of the said schedule, distinguished such of the said several persons included in the first list as are contributories in their own right. I have, in the second part of the said schedule, distinguished such of the said several persons included in the said list as are contributories as being representatives of, or being liable to the debts of, others.

2. The several persons whose names are set forth in the second column of the said schedule hereto have been excluded from the said list of contributories.

3. I have, in the seventh column of the said first and second schedules, set forth, opposite the names of each of the said several

persons respectively, the date when such person was included in or excluded from the said list of contributories.

THE FIRST SCHEDULE ABOVE REFERRED TO.
FIRST PART.—CONTRIBUTORIES IN THEIR OWN RIGHT.

Serial No. in List.	Name.	Address.	Description.	In what Character included.	Number of Shares (or extent of interest).	Date when included in the List.

SECOND PART.—CONTRIBUTORIES AS BEING REPRESENTATIVES OF, OR LIABLE TO THE DEBTS OF, OTHERS.

Serial No. in List.	Name.	Address.	Description.	In what Character included.	Number of Shares (or extent of interest).	Date when included in the List.

THE SECOND SCHEDULE ABOVE REFERRED TO.

Serial No. in List.	Name.	Address.	Description.	In what Character proposed to be included.	Number of Shares (or extent of interest).	Date when excluded from the List

Dated this..... .day of ....19.....
(Signature of the Judge or District Judge).

NO 42—ORDER ON APPLICATION TO VARY LIST

(Rule 705).
(For General Heading, *See* Rule 650).

Upon the application of W. N., to review the list of contributories of the said company, in respect of the inclusion of the said W. N., therein and that his name may be excluded therefrom, and upon hearing advocates (O. S.), etc, and upon reading, etc.. It is ordered that the name of the said W N. be excluded from the said list of contributories (or the Court doth not think fit to make any order on the said application, except that the said W. N., do pay to R. P. H., the official liquidator of the said company, his costs of this application, to be taxed by the Taxing Master in case the parties differ or in the case of a District Court the sum of Rs. . . . for his costs of this application.

NO 43.—AFFIDAVIT OF OFFICIAL LIQUIDATOR IN SUPPORT OF PROPOSAL FOR CALL.

(Rule 707).
(For General Heading, *See* Rule 650).

I. R. P. H., of, etc., the official liquidator of the abovenamed company, make oath (or solemnly affirm) and say as follows:—

1 I have in the schedule now produced and shown to me, and marked with the letter A, set forth a statement showing the amount due in respect of the debts allowed against the said company, and the estimated amount of the costs, charges and expenses of an incidental to the winding up the affairs thereof, which several amounts form in the aggregate the sum of Rs. .. ....or thereabouts.

2. I have also in the said schedule set forth a statement of the assets in hand belonging to the said company, amounting to the

sum of Rs.....and no more. There are no other assets belonging to the said company, except the amounts due from certain of the said contributories of the said company, and to the best of my information and belief it will be impossible to realise in respect of the said amounts more than the sum of Rs.....or thereabouts.

3. It appears by the certificate of the Honourable Mr. Justice .....(or as the case may be) dated the.....day of .....19...., that.....persons have been settled on the list of contributories of the said company, in respect of the total number of.....shares.

4. For the purpose of satisfying the several debts and liabilities of the said company, and of paying the costs, charges and expenses of and incidental to the winding up the affairs thereof, I believe the sum of Rs.....will be required, in addition to the amount to the assets of the said company mentioned in schedule A and the said sum of Rs.....

5. In order to provide the said sum of Rs.....it is necessary to make a call upon the several persons who have been settled on the list of contributories as before mentioned, and having regard to the probability that some of such contributories will partly or wholly fail to pay the amount of such call, I believe that for the purpose of realising the amount required, as before mentioned, it is necessary that a call of Rs. .....per share..... should be made.

Sworn (or solemnly affirmed), etc.

NO 44.- SUMMONS FOR INTENDED CALL

(Rule 707).

(For General Heading, *See* Rule 650).

Let all parties concerned attend at.....on.....day the .....day of.....19....at.....of the clock in the..... noon, on the hearing of an application on the part of the official liquidator of the abovenamed company, that a call to the amount of Rs.....per share may be made on all contributories (or if upon any particular class specify the same) of the said company.

The summons was taken out by A. B., of....., attorney for the said official liquidator.

To Mr. A. B., of, etc., a contributories of the said company, proposed to be included in the said call.

NO. 45.—ADVERTISEMENT OF INTENDED CALL

(Rule 707).

(For General Heading, *See* Rule 650).

By direction of the.....notice is hereby given that the said Judge has appointed.....the.....day of.....19...., at.....o'clock in the.....noon, at.....to make a call on all the contributories of the said company, (or as the case may be), and that the said call shall be for Rs..... ...per share. All persons interested are entitled to attend at such day, hour, and place to offer objections to such call.

Dated this.....day of.....19.....

NO. 46.—GENERAL ORDER FOR A CALL.

(Rule 710).
(For General Heading, *See* Rule 650).

Upon the application of the official liquidator of the abovenamed company, and upon reading two orders, dated the.....day of .....19...., and the.....day of.....19...., the certificate of the... ....dated the..... ..day of.....19... . an affidavit of the said official liquidator filed on..... 19...., and the exhibit marked A therein referred to, and an affidavit of.....filed on.....19....,: It is ordered that a call of Rs.....per share be made on all the contributories of the said company (or as the case may be). And it is ordered that each such contributory do, on or before the.....day of .....19...., pay into the Imperial Bank of India (or the .....branch of the Imperial Bank of India, or in the case of District Court into the District Court at.....), to the account of the said official liquidator of the.....company, the amount which will be due from him or her in respect of such call.

NO. 47.—NOTICE TO BE SERVED WITH THE GENERAL ORDER FOR A CALL
(Rules 708 and 710).
(For General Heading, *See* Rule 650).

The amount due from you, A. B., in respect of the call made by the above (or within) order, is the sum of Rs....., which sum is to be paid by you into the Imperial Bank of India (or the branch of the Imperial Bank of India, or in the case of a District Court into the District Court at.....) to the account mentioned in the said order. You can pay the same in person, or through a banker or other agent, but this notice and copy of order must be produced at the Bank or to the Court upon such payment, and the cashier of the Bank or the Nazir of the said Court will, upon receiving the same, deliver to you a certificate of the payment in number .....signed by the said cashier or Judge. In order to prevent proceedings being taken against you for non-payment, you must immediately upon such payment, cause written notice of the payment, and of the date thereof, to be given to me, as the official liquidator of the said company, at my office, No.....Street, inside the Fort, Bombay. Dated this.....day of.....19.....

R. P. H., Official Liquidator,

NO. 48.—AFFIDAVIT IN SUPPORT OF APPLICATION FOR ORDER FOR PAYMENT OF CALL DUE FROM CONTRIBUTORY.

(Rule 709).
(For General Heading, *See* Rule 650).

To MR. A. B.

I, R. P. H., of, etc., the official liquidator of the abovenamed company, make oath (or solemnly affirm) and say as follows:—

1. None of the contributories of the said company whose names are set forth in the schedule hereunto annexed, marked A, have paid, or caused to be paid, the respective sums set opposite their respective

names in the said schedule, which sums are the respective amounts now due from them respectively in respect of the calls of Rs....., per share, in pursuance of the order of the Judge in that behalf.

Dated this.....day of.....19.....

2. The respective amounts or sums set opposite the names of such contributories respectively in such schedule are the true amounts due and owing by such contributories respectively in respect of the said call. Sworn (or solemnly affirmed), etc.

THE SCHEDULE ABOVE REFERRED TO.

Number on list.	Name.	Address.	Description.	In what Character Included.	Amount due.

Note.—In addition to the above affidavit, an affidavit of the service of the order and notice (Nos. 46 and 47) will be required.

NO. 49.—ORDER FOR PAYMENT OF CALL DUE FROM A CONTRIBUTORY.

(Rule 709).

(For General Heading, *See* Rule 650).

Upon the application of the official liquidator of the abovenamed company, and upon reading the order, dated the.....day of .....19...., an affidavit of.....filed the.....day of .....19...., and an affidavit of the said official liquidator, filed the.....day of.....19...., it is ordered that C. D., of, etc., (or E. F., of, etc., the legal personal representative of L. M., late of, etc., deceased), one of the contributories of the said company (or if against several contributories the several persons named in the second column of the schedule to this order being respectively contributories of the said company) do, on or before the..... day of.....or within four days after service of this order, pay into the Imperial Bank of India (or the.....branch of the Imperial Bank of India, or in the case of a District Court into the District Court at.....), to the account of the official liquidator of the.....company (or to A. B., the official liquidator of the said company at his office, No.....Street, in the.....) the sum of Rs.....(if against legal personal

representative, add out of the assets of the said L. M., deceased, in his hands as such legal person representative as aforesaid, to be administered in a due course of administration the said E. F., has in his hands so much to be administered, or if against several contributories the several sums of money set opposite to their respective names in the sixth column of the schedule hereto) said sum (or sums) being the amount (or amounts) due from the said C. D., (or L. M.) or the said several persons respectively in respect of the call of Rs.....per share made by the said order dated the .....day of..... 19.....

THE SCHEDULE REFERRED TO IN THE FOREGOING ORDER.

Number on list.	Name.	Address.	Description.	In what Character Included.	Amount due.

NO. 50.—NOTICE TO BE ENDORSED ON OR SERVED WITH EVERY ORDER DIRECTING PAYMENT OF MONEY INTO THE IMPERIAL BANK OF INDIA OR INTO COURT.

(Rule 714).

(For General Heading, *See* Rule 650).

You can make the payment directed by the within (or above) order to the Imperial Bank of India (or the..... branch of the Imperial Bank of India or in the case of a District Court into the District Court at.....) in person, etc. (as in Form No. 47).

R. P. H., Official Liquidator

NO. 51.—CERTIFICATE OF PAYMENT OF MONEY INTO THE IMPERIAL BANK OF INDIA OR INTO COURT.

(Rule 714).

No..... .....day of.....19.....

I hereby certify that C. D., of, etc., has this day paid into the Imperial Bank of India or into Court the sum of Rs..... ... to be placed to the credit of the official liquidator of the company. pursuant to an order dated the..... day of..... ....19... .

For the Imperial Bank of India, Rs.....

H. M., Cashier.

Or

Nazir, District Court

(As the case may be).

NO 52.—AFFIDAVIT OF SERVICE OF ORDER FOR PAYMENT OF CALL

(Rule 709).

(For General Heading, *See* Rule 650).

I. J. B. of. etc., make oath (or solemnly affirm) and say as follows:—

1. I did on the. . ..day of ....19...., personally serve G. F., of,..... .....in the..... .. ..of etc., with an order made in this matter by..... ..... , dated the. .... .day of ..... 19... , which is hereto annexed and marked A by delivering to and leaving with the said G. F., at....., in the .... a true copy of the said order together with a translation thereof in the ....language, and at the same time producing and showing unto him, the said G. F., the said original order duly entered. Sworn (or solemnly affirmed), etc.

NO. 53.—AFFIDAVIT OF NON-PAYMENT OF MONEY BY ORDER DIRECTED TO BE PAID INTO THE IMPERIAL BANK OF INDIA OR INTO COURT

(Rule 715).

(For General Heading, *See* Rule 650).

I, R. P. H., of, etc, the official liquidator of the abovenamed company, make oath and say as follows:—

1. G. S., the person named in an order made in the matter by the Honourable Mr. Justice.....(or as the case may be), dated the..... day of.... .....19...., has not paid into the Imperial Bank of India (or in the case of a District Court into the District Court at.....) to the account of the official liquidator of the .....company, the whole or any part of the sum of Rs.....as by the said order directed. Or, (in case of several parties).

2. None of the several persons whose names and addresses are set forth in the schedule hereunder written, and who have, respectively, been duly served with orders made in this matter by the Honourable Mr. Justice.....(or as the case may be) of the respective dates set opposite to their respective names in the said schedule, have paid into the Imperial Bank of India (or in the case of a District Court into the District Court at.....) to the account of the official liquidator of the.....company, the whole or any part of the several sums of money set opposite to their respective

names in the schedule hereunder written, as by the said order, respectively, directed.

3. I am enabled to depose to such non-payment, by reason of my having this day ascertained, by inquiry at the said Bank (or at the said Court) that such payment (or payments) has (or have) not been made, and seen the certificate of payment in, numbered .....(or several certificates of payment in, the numbers whereof, respectively, are set forth in the sixth column of the said schedule, opposite the names of the said respective persons, being certificates) furnished by me to the cashier of the said Bank (or Nazir of the said District Court at.....) for delivery to the said G. F., (or several persons, respectively) upon such payment (or payments) being made still in the hands of the cashier of the said Bank (or Nazir of the said District Court). No notice (or notices) of such payment (or payments) having been made has (or have) been given to me by the said G. F., (or several persons, respectively). Sworn (or solemnly affirmed), etc.

THE SCHEDULE ABOVE REFERRED TO.

Name.	Address.	Description.	Amount.	Date of Balance Order.	Number of Certificate.

NO. 54.—REQUEST TO INVEST CASH IN GOVERNMENT PROMISSORY NOTES. (Rule 718).

(For General Heading, *See* Rule 650).

To the Secretary and Treasurer of the Imperial Bank of India.

SIR,

It appearing that the sum of Rs.....cash is standing to the credit of the account of the official liquidator of the above-named company, you are hereby requested to invest the sum of Rs....., part thereof, in the purchase of.....per cent. Government Promissory Loan Notes in the name of R. P. H., of,

etc., the official liquidator of the said company, and to deposit such Government notes in the Imperial Bank of India (or the..... branch thereof, or in the case of a District Court into the District Court at.....), in the name and on behalf of the official liquidator. The said notes are not to be sold, transferred, or otherwise dealt with, except upon a direction for that purpose signed by the official liquidator of the said company, and countersigned by a Judge of the High Court of Judicature of Bombay (or by the Judge of the District Court of....., or under an order to be made by the said Judge).

Dated this.....day of.....19.....

I am, Sir,
Your most obedient Servant,
R. P. H., Official Liquidator.

G. H.,
(Countersigned).

NO. 55.—REQUEST TO THE COURT TO SANCTION THE INVESTMENT OF CASH IN GOVERNMENT PROMISSORY NOTES.

(Rule 718).

(For General Heading, *See* Rule 650).

Or To The Judge of the District Court at.....

SIR,

It appearing that the sum of Rs..... .....cash is standing in the said Court to the credit of the account of myself the official liquidator of the abovenamed company, you are hereby requested to authorise me to invest the sum of Rs....., part thereof in the purchase of.....per cent. Government Promissory Loan Notes in my name as such official liquidator and to deposit such Government notes in the said Court in my name and on my behalf as such official liquidator. The said notes are not to be sold, transferred, or otherwise dealt with except upon a direction for that purpose signed by the official liquidator of the said company and countersigned by the Judge of your said Court.

Dated this.....day of.....19.....

I am, Sir,
Your most obedient Servant,
R. P. H., Official Liquidator.

NO. 56.—NOTICE (OR ADVERTISEMENT) OF MEETING OF CREDITORS OR CONTRIBUTORIES.

(Rule 720).

(For General Heading, *See* Rule 650).

Notice is hereby given that *the High Court of Judicature at Bombay (or the District Court of.....)* has directed a meeting of the creditors (or contributories) of the abovenamed company *to be* summoned pursuant to the above Act, for the purpose of ascertaining thier wishes as to (state the object for which meeting called, unless notice is by advertisement, in which case say, certain matters relating to the winding up of the said company), *and that such meeting* will be held on.....day the.....day of .....19...., at.....o'clock in the.....noon at

.....in the....., at which time and place all the creditors (or contributories) of the said company are requested to attend. (The said Court has appoint H. T., of, etc., to act as Chairman of such meeting). Dated this.....day of..... 19.....

R. P. H. Official Liquidator.

Note.—If summoned otherwise than by direction of the Court, omit the words underlined.

No. 57.—MEMORANDUM OF APPOINTMENT OF A PERSON TO ACT AS CHAIRMAN AT MEETING OF CREDITORS OR CONTRIBUTORIES.

(Rule 721).

(For General Heading, *See* Rule 650).

Mr. H. T., of, etc., one of the creditors (or contributories) of the abovenamed company is appointed to act as Chairman of a meeting of the creditors (or contributories) of the said company, summoned by direction of the High Court of Judicature at Bombay (or the District Court of.....) pursuant to the above Act, to be held on the.....day of..... ..19...., at..... o'clock in the.....noon, at..... .. ..and to report the *result of such meeting to the said Court.*

The said meeting is summoned for the purpose of ascertaining the wishes of the creditors (or contributories) of the said company as to (state the object for which meeting called), and at such meeting the votes of the creditors (or contributories) may be given either personally or by proxy.

Dated this..... day of..... .. .. 19. ..

No 58.—APPOINTMENT OF PROXY TO VOTE AT MEETING OF CREDITORS OR CONTRIBUTORIES

(Rule 722).

(For General Heading, *See* Rule 650).

I, W. S., of....., in the.....being a creditor (or contributory) of the abovenamed company, hereby appoint .....of....., as may proxy to vote for me, and on my behalf at the meeting of the creditors (or contributories) of the said company, summoned by the official liquidator (at the direction of the High Court of Judicature at Bombay) to be held on the..... day of.....19...., and at any adjournment thereof ..... As witness.. . ... .my hand this.....day of.....19.....

Signed by the said W. S., in the presence of J. M., of, etc. } W. S.

No. 59.—CHAIRMAN'S REPORT OF RESULT OF MEETING OF CREDITORS OR CONTRIBUTORIES.

(Rules 720, 721 and 722).

(For General Heading, *See* Rule 650).

I, H. T., the person appointed by the High Court of Judicature at Bombay (or District Court of.....) to act as Chairman

f a meeting of the creditors (or contributories) of the abovenamed ompany, summoned by advertisement (or notice), dated the..... ay of.....19...., and held on the.....day of .....19...., at....., do hereby report to the said ourt the result of such meeting as follows:—

The said meeting was attended, either personally or by proxy, y creditors, to whom debts against the said company have been llowed, amounting in the whole to the value of Rs..... or by.....contributories holding in the whole..... hares in the said company, and entitled respectively, by the regulations f the company, to the number of votes hereinafter mentioned).

The question submitted to the said meeting was whether the reditors (or contributories) of the said company approved of the roposal of the official liquidator of the said company, that, etc. (as he case may be), and wished that such proposal should be adopted nd carried into effect.

The said meeting was unanimously of opinion that the said roposal should (or should not) be adopted and carried into effect, r the result of the voting upon such question was as follows:—

The undermentioned creditors (or contributories) votes in favour f the said proposal being adopted and carried into effect:—

Name of Creditor (or Contributory).	Address.	Value of Debt (or Number of Shares).	Number of Votes Conferred on each Contributory by the Regulations of the Company.

The undermentioned creditors (or contributories) voted against the said proposal being adopted and carried into effect:—

Name of Creditor (or Contributory).	Address.	Value of Debt (or Number of Shares).	Number of Votes Conferred on each Contributory by the Regulations of the Company.

Dated this.....day of.....19.....

(Signed) H. T.,
Chairman.

No. 60.—MEMORANDUM OF SANCTION OF JUDGE TO ACCEPTING BILLS OF EXCHANGE, ETC

(Rule 723).

(For General Heading, *See* Rule 650).

The Judge has sanctioned the acceptance of this bills of exchange by the official liquidator on behalf of the said company.

Signature.

No. 61.—MEMORANDUM OF AGREEMENT OF COMPROMISE WITH A CONTRIBUTORY.

(Rule 724).

(For General Heading, *See* Rule 650)

Memorandum of agreement entered into this.....day of .. ..19...., between R. P. H., of, etc., the official liquidator of the abovenamed company, of the one part, and S. B., of, etc., one of the contributories of the said company, of the other part.

Whereas the said S. B., has been settled on the list of contributories of the said company as a contributory in respect of.....shares in the said company and whereas by an order made by the....., dated the.....day of.....19...., a call of Rs..... per share was made on all the contributories of the said company, and there is now due from the said S. B., to the said company the sum of Rs.....in respect of the said call; and whereas the said S. B., has proposed to pay to the said official liquidator the sum of Rs.....by way of compromise, and in satisfaction and discharge of the said sum of Rs....., and of all liability whatsoever, as a contributory of the said company; and whereas the

said official liquidator, having investigated the affairs of the said S. B., and believing that such compromise will be beneficial to the said company, hath, in exercise of the power for that purpose given to him by the above Act, agreed to accept the same subject to the sanction of the Court. and to the conditions and agreements hereinafter contained:—

Now it is hereby agreed by and between the said parties hereto:

1. That the said official liquidator shall, before the..... day of.....next, apply to a Judge of the said Court, at Chambers to sanction this agreement of compromise.

2. That upon this agreement being sanctioned by the said Judge the said S. B., shall, within.....day of.....next after such sanction, pay to the said official liquidator the said sum of Rs....., and when thereto required, shall do and execute all such acts and deeds as may be necessary for transferring or surrendering and releasing to the said official liquidator on behalf of the said company, or in such manner as the said Judge may direct, the said shares held by the said S. B., in the said company, and all claim and demand whatsoever which the said S. B., has or may have against the said company in respect of the said shares, or the distribution of the assets of the said company, otherwise howsoever.

3. That the said sum of Rs..... , and the transfer or surrender and release of the said shares and interest of the said S. B., as aforesaid shall be accepted by the said official liquidator, as, and be deemed and taken to give to the said S. B., a full and complete discharge from all calls and liabilities, claims and demands whatsoever, which the company or the official liquidator thereof now has or may hereafter have, or be entitled to against the said S. B, in respect of his being or having been the holder of the said shares, or otherwise, as a contributory of the said company.

4 That in case this agreement shall not be sanctioned by the said Judge it shall cease and determine and the said official liquidator and the said S B., shall be remitted to their original rights with respect to each other. as if this agreement had not been entered into.

5. That in case this agreement shall be sanctioned by the said Judge, and the said S. B., shall not in all respects perform the same on his part, the official liquidator, shall be at liberty, with the sanction of the said Judge, and without notice to the said S. B, to enforce the performance thereof, or, with the like sanction, to give notice to the said S. B., that he abandons this agreement, whereupon the same shall cease and determine, and the said official liquidator shall be entitled to proceed against the said S. B., to enforce payment of the said sum of Rs.....or so much thereof as shall then remain due and owing unpaid, as if this agreement had not been entered into.

Witness to the signature of the said R. P. H., and S. B.	R. P. H., Official Liquidator.
.....	S. B.

No. 62.—MEMORANDUM OF SANCTION OF JUDGE TO AGREEMENT OF COMPROMISE.

(Rule 724).

(For General Heading, *See* Rule 650).

C. D., of, etc.

The Judge has sanctioned this agreement of compromise.

(Signature).

....

No. 63.—ORDER OR MEMORANDUM OF THE SANCTION OF THE JUDGE FOR CERTAIN ACTS TO BE DONE BY OFFICIAL LIQUIDATOR.

(Rule 725).

(For General Heading, *See* Rule 650).

The Judge.....doth hereby sanction (or has sanctioned) the following proceedings being taken (or acts being done) by the official liquidator of the abovenamed company, namely (state the proceedings to be taken or acts to be done as) the bringing or instituting and prosecuting an action in the name and on behalf of the said company, against, or defending an action brought against the said company by K. M., of, etc., to recover a debt or sum of Rs.....alleged to be due from (or to) the said K. M., to (or from) the said company, etc

No. 64.—APPEARANCE BOOK

(Rule 733).

(For General Heading, *See* Rule 650).

Date when Appearance entered.	Party's Name.	Whether Creditor or Contributor.	If he appears in Person, his Address for Service.	If he appears by an Attorney, his Attorney's Name.	Address. Attorney's	Amount of Debt (or Number of Shares).

APPEARANCE BOOK.

No. 65.—FORM OF ORDER TRANSFERRING WINDING-UP PROCEEDINGS FROM HIGH COURT TO DISTRICT COURT.

(Rule 737).

(For General Heading, *See* Rule 650).

It is hereby ordered that all the winding-up proceedings in the above matter, together with all documents and papers thereto relating, and all moneys and securities standing therein to the credit of the official liquidator, be and they are hereby transferred from the said High Court to the District Court at.....and the said District Court shall hereafter have recognisance of all such proceedings and take charge of all such moneys and securities.

Dated this.....day of..... .....19.....

A. B. (Judge of High Court).

....

No. 66.—FORM OF ORDER TRANSFERING WINDING-UP PROCEEDINGS FROM ONE DISTRICT COURT TO ANOTHER.

(Rule 737).

(For General Heading, *See* Rule 650)

It is hereby ordered that all the winding-up proceedings in the above matter, together with all documents and papers relating thereto, and all moneys and securities standing therein to the credit of the account of the official liquidator, be and they are hereby transferred from the District Court at.....to the District Court at .....and the said last-mentioned District Court shall hereafter have recognisance of all such proceedings and take charge of all such moneys and securities.

Dated this.....day of..... ..19.....

A. B. (Judge of High Court)

.....

No. 67.—SUMMONS FOR PERSONS TO ATTEND AT CHAMBERS TO BE EXAMINED

(*See* Section 195 of the Act).

(For General Heading, *See* Rule 650).

A. B., of, etc., and E. F., of, etc., are hereby severally summoned to attend at.....on the.....day of... ..... 19...., at.....of the clock in the.... .....noon, to be examined on the part of the said official liquidator (or of W. D., of, etc.), for the purpose of proceedings directed by the said Court to be taken before me in the above matter. And the said A. B., is hereby required to bring with him and produce at the time and place aforesaid, a certain indenture (describe documents), and all other books, papers, deeds. writings, and other documents in his custody or power in anywise relating to the abovenamed company.

Dated this.....day of.....19.....

This summons was taken out by Messrs. C. & D., of,..... attorneys for the official liquidator (or for the said W. D.).

No. 68.—DECLARATION OF THE COMPANY BEING COMPLETELY WOUND UP, AND OF THE OFFICIAL LIQUIDATOR HAVING PASSED HIS FINAL ACCOUNT.

(Rule 738).

(For General Heading, *See* Rule 650).

I hereby declare that R. P. H., the official liquidator of the abovenamed company, has passed his final account as such official liquidator, and that the balance of Rs.....hereby found to be due to (or from) the said official liquidator has been paid in the manner directed by the order dated the.....day of..... 19...., and that the affairs of the said company have been completely wound up.

Dated this .....day of.....19.....

A. B., Judge.

.....

No 69.—ORDER TO DISSOLVE THE COMPANY.

(Rule 739).

(For General Heading, *See* Rule 650).

Upon the application of the official liquidator of the abovenamed company and upon reading an order dated the..... ....day of .....19.... and the declaration of the Court dated the .....day of .....19...., whereby it appears that the affairs of the said company have been completely wound up, and that the balance of Rs.....due from (or to) the official liquidator has been paid in manner directed by the said order. It is ordered that the said..... ....company be dissolved as from this.....day of.....19...., and that the recognisance, dated the.....day of.....19...., entered into by the said official liquidator, together with W. B., and S. P., his sureties, be vacated.

A. B.,
Prothonotary and Senior Master
or A. B.,
District Judge

.....

No 70—NOTICE BY LIQUIDATOR IN VOLUNTARY WINDING-UP, OF HIS APPOINTMENT.

(*See* Section 208 of the Act and Rule 741).

(For General Heading, See Rule 650).

To,

The Registrar of Joint Stock Companies.

Take notice that by a.....resolution passed in general meeting of the abovenamed Company on..... day the..... day of.....19...., in the matter of the voluntary winding up of the said Company, I, the undersigned, was appointed liquidator of the said company.

Dated this.....day of.....19.....

(Signature).....

(Address).....

.....

No. 71.—LIQUIDATOR'S STATEMENT OF ACCOUNT.
(Rule 742).
(For General Heading, See Rule 650).

Realisations.				Disbursements.			
Date.	Of whom Received.	Nature of Assets Realised.	Amount.	Date.	To whom Paid.	Nature of Disburse-ments.	Amount.
		Brought forward	Rs. a. p.			Brought forward	Rs. a. p
		Carried forward				Carried forward ..	

Note.—No balance should be shown on this account, but only the total realisations and disbursements, which should be carried forward to the next account.

ANALYSIS OF BALANCE.

	Rs.	As.	P.
Total realisations			
„ disbursements			
Balance ..			

The balance is made up as follows:

1. Cash in hands of liquidator

	Rs	As	P.

2. Total payments into Bank, including balance at date of commencement of winding up (as per Bank Book) Total withdrawals from Bank .. ..
   Balance at Bank ..
3. Amount in Companies' Liquidation Account ..

	Rs.	As.	P.

4. Amount invested by liquidator
   Less—Amount realised from same

Balance ..			

Total balance as shown above Rs.

(*Note.*—Full details of Stocks purchased for investment and of realisation thereof should be given in a separate statement).

Note.—The liquidator should also state—

(1) The amount of the estimated assets and liabilities at the date of the commencement of the winding up.	Assets (after deducting amounts charged to secured creditors and debenture holders) Rs.	
	Liabiilties.	Secured creditors „ Debenture holders „ Unsecured creditors „
(2) The total amount of the capital paid up at the date of the commencement of the winding up.	Paid up in cash .. Rs. Issued as paid up otherwise than for each .. .. „	
To general description and estimated value of outstanding assets (if any).		
(4) The causes which delay the termination of the company.		
(5) The period within which the winding up may probably be completed.		

NO. 72.—AFFIDAVIT VERIFYING STATEMENT OF LIQUIDATOR'S ACCOUNT.

(Rule 742).

(For General Heading, *See* Rule 650).

I,.....of....., the liquidator of the abovenamed company, make oath and say as follows:—

1. That *the account hereunto annexed and marked..... contains a full and true account of my receipts and payments in the winding up of the abovenamed company,* from the.....day of .....19...., to the.....day of.....19...., inclusive *and that* I have not, nor has any other person by my order or for my use during such period, received or paid any moneys on account of the said company, *other than and except the items mentioned and specified in the said account.*

2. I further say that the particulars given in the annexed Form 71, marked....., with respect to the proceedings in and position of the liquidation, are true to the best of my knowledge and belief.

Sworn at
this.....day of.....19....
Before me.

Note.—If no receipts or payments, strike out the words in Italics.

THE SECOND SCHEDULE.

FEES AND CHARGES TO BE ALLOWED TO ATTORNEYS.

(Rule 746).

	Rs.
For attending any summons or other application at the Judge's Chambers, per hour	10
Or where from the length of the attendance or the difficulty of the case the Judge shall think this fee an insufficient remuneration for services performed, such fee as the Judge may allow to the attorneys by a memorandum in writing expressly made for that purpose and signed by the Judge specifying distinctly the ground of such allowance.	
For notice and services where the service may be effected as provided by Rules	1
For other duties performed, such of the fees authorised by the rules and regulations of the High Court as to attorney's fees as are applicable.	

CALCUTTA HIGH COURT.

RULES UNDER THE INDIAN COMPANIES ACT, 1913 AND IN RELATION TO COMPANY MATTERS BOTH FOR THE HIGH COURT COURTS SUBORDINATE THERETO.

GENERAL

1. *Definitions.*—In these Rules unless the context or subject matter otherwise requires—

(i) "The Act" means the Indian Companies Act, 1913, as from time to time amended or modified.

(ii) "Advocate" means, in the High Court, a person entitled to appear and plead in the High Court in the exercise of its Original Jurisdiction and includes, as regards proceedings in Chambers in the High Court, an attorney of the said Court, and as regards proceedings in a District Court any person entitled to appear and plead in such Court.

(iii) "Attorney" means, in the High Court, an attorney of the High Court or firm of such attornies, and in a District Court, a legal practitioner or firm of legal practitioners entitled to appear and plead in such Court.

(iv) "Certified" means, in relation to a copy, certified as provided in Section 76 of the Indian Evidence Act.

(v) "Company" means a company in respect of which proceedings to which these Rules apply have been instituted under the Act.

(vi) "Court" means the Court having jurisdiction under the Act.

(vii) "Creditor" includes a corporation and firm of creditors in partnership.

(viii) "Filed" means filed in the office of the Registrar.

(ix) "High Court" means the High Court of Judicature at Fort William in Bengal in its Original Jurisdiction.

(x) "Judge" means, in the High Court, a Judge exercising Original Jurisdiction, and in the District Court, the Judge of such Court.

(xi) "Petition" in Rules 34 to 44, both inclusive, means a

petition to wind up a company by or under the supervision of the Court.

(xii) "Registrar" means, in the High Court, the Registrar of the Court in its Original Jurisdiction, and in a District Court, the Judge or such officer of such Court as may be authorised to perform such duties as are by these Rules assigned to the Registrar.

(xiii) "Sealed" means sealed with the seal of the Court.

(xiv) "These Rules" or "The Rules" means the Rules in this Chapter and includes the prescribed forms but not the marginal notes to such Rules.

Words importing the masculine gender shall include females.

Words in the plural shall include the singular and words in the singular shall include the plural.

The word "person" shall include any body of persons corporate or unincorporate.

Expressions referring to writing shall include printing, typing, lithography, photography, and other methods of representing or reproducing words in a visible form.

2. *Titles to Proceedings, Advertisements, etc.*—The following shall be used as general headings in all matters to which these Rules apply:—

A. In proceedings before the Judge in Chambers or in Court:—

In the High Court of Judicature at Fort William in Bengal, Original Civil Jurisdiction (or, in the District Court of).

In the matter of the Indian Companies Act, VII of 1913, and of....., Limited.

B. In all advertisements, notices and other proceedings not before the Judge in Chambers or in Court:—

In the matter of the Indian Companies Act, VII of 1913, and of ...., Limited.

3. *Proceedings to begin in Chambers.*—In the High Court all petitions shall be presented and applications made to, and proceedings taken before a Judge in Chambers provided nevertheless that the Judge may adjourn any matter so brought before him into Court. In a District Court all petitions shall be presented, applications made to and proceedings taken under the direction of the Judge of such Court.

4. *Application of Original side Rules and Practice.*—In the High Court the Rules of the Original Side of the High Court for the time being in force, and the general practice of the Court, including the course of procedure and practice in Chambers, shall apply as regards all proceedings under the Act in relation to companies so far as may be applicable, except and so far as the Act or these Rules otherwise provided.

5. *Register of Company Matters.*—The Registrar shall keep and maintain a book to be called the "Register of Company Matters" in which shall be entered and numbered serially all applications—

(a) for an order confirming an alteration of the Memorandum of Association of a company (Section 13);

(b) for an order extending the time to file a copy of the order of confirmation, etc. (Section 15);

(c) for rectification of the register (Section 38);

(d) for confirmation of a resolution as to reorganisation of share capital (Section 54);

(e) for reduction of capital;

(f) for an order directing the calling of a general meeting of a company (Section 76);
(g) for an order extending the time for filing a return of allotments (Section 104);
(h) for an order extending the time for registration of a mortgage or charge (Section 120);
(i) for an order to compel inspection (Section 124);
(j) to wind up a company whether registered or unregistered;
(k) made in the voluntary winding up of a company, whether or not an order shall have been made under Section 221;
(l) for an order to wind up a company subject to the supervision of the Court (Section 221);
(m) to declare the dissolution of a company to be void (Section 243),
(n) for security for costs (Section 280);
(o) for an order relieving a director from liability (Section 281);
(p) otherwise originating proceedings under the Act in relation to a company.

6. *Applications and Orders to bear Serial Number.*—All applications or orders made and all processes issued or documents filed thereafter in such proceedings shall bear the serial number thereof.

7. *Ledger of Company Matters.*—The Registrar shall keep and maintain a book to be called the Ledger of Company Matters.

8 *Mode of keeping Ledger of Company Matters.*—The Ledger of Company Matters shall be kept and indexed according to the names of the companies to which the entries therein relate, and under the name of each company shall be recorded all documents filed in any proceedings referred to in rule 5. Every document so recorded shall be serially numbered in the ledger and shall bear the same number, which shall be endorsed thereon in red ink at the time when such document is recorded

9 *Enlargement and Abridgement of Time.*—The power of the Judge to enlarge or abridge the time for doing any act, or taking any proceeding, shall not be deemed to be affected by this chapter.

10. *Advertisement.*—Where an advertisement is required for any purpose, it shall, unless otherwise prescribed by these Rules or directed by the Judge, be inserted once in the Calcutta Gazette and once in two daily newspapers circulating in Calcutta.

11. *Power to Dispense with Advertisement*—The Judge may in a special case dispense with any advertisement required by these Rules

12. *Validation of Defective or Irregular Proceedings.*—No proceedings under the Act or the Rules shall be invalidated by any formal defect or by any irregularity, unless the Judge before whom an objection is made to the proceeding is of opinion that substantial injustice has been caused by the defect or irregularity, and that the injustice cannot be remedied by an order.

13. *Application of Forms*—The forms to which reference is made in and to be used under these Rules are those in the Appendix, and the same where applicable, and where they are not applicable, forms of the like character with such variations as circumstances may require, shall be used. Where such forms are applicable any costs occasioned by the use of any other or prolix forms shall be borne by or disallowed to the party using the same unless the Judge shall otherwise direct

REDUCTION OF CAPITAL.

14. *Mode of Application.*—An application for an order confirming the reduction of the share capital of a company shall be made on petition verified by affidavit. Such petition shall be in Form No. 1.

15. *Application to Dispense with "and Reduced."*—An application for an order dispensing with the addition of the words "and Reduced" may be made *ex parte* at or after the presentation of such petition, provided the Judge may direct notice to be given of such application or adjourn the consideration thereof as he may think fit.

16. *Procedure where Creditors are not Entitled to Object.*—In a case where the creditors of a company are not entitled to object to the proposed reduction it shall not be necessary to obtain the certificate required by Rule 27 and on the presentation of the petition the Judge shall fix a day for the hearing thereof and shall give directions as to the advertisements to be published of the presentation of the petition, so that the first or only insertion of such notice shall be made not less than fourteen days before the date fixed for the hearing. Such notice shall be in Form No. 2.

17. *Procedure where Creditors and Entitled to Object.*—In a case where the creditors are entitled to object to the proposed reduction, application may be made *ex parte* by summon for directions as to the proceedings to be taken for settling the list of creditors entitled to object and for fixing the date with reference to which the list of such creditors to be made out, and the Judge may, either then or thereafter, give directions in respect of the matters mentioned in Rules 19, 21, 23, and 24. The order shall be in Form No. 3.

18. *Procedure to Continue by Adjournment.*—Proceedings under the order shall be continued by adjournment or, if the Judge shall so direct, by further summons.

19. *List of Names and Addresses, etc., of Creditors to be Filed* —In a case where the creditors are entitled to object to the proposed reduction the company shall, within such time as the Judge shall direct, file a list containing the names and addresses of the creditors of the company at the date fixed under rule 17 and stating the nature and amounts of the debts due to each of them respectively, or, in case of any debt payable on a contingency or not ascertained, or of any claim admissible to proof in a winding up of the company, the value, so far as can be justly estimated, of such debt or claim. Such list shall be verified by the affidavit of an officer of the company competent to make the same. Such affidavit shall be in Form No. 4.

20. *Inspection of List of Creditors.*—Copies of such list, containing the names and addresses of the creditors and the total amount due to them, but omitting the amounts due to them respectively, or (if the Judge shall think fit) complete copies of such list shall be kept at the registered office of the company and at the office of its attorney, and any person desirous of inspecting the same may, at any time during the usual hours of business, inspect and take extracts from the same on payment of the sum of one rupee.

21. *Notice to Creditors.*—The company shall, within seven days after the filing of such affidavit, or such further time as the Judge may allow, send to each creditor whose name is entered in the said list, a notice stating the amount of the proposed reduction of capital, and the amount or estimated value of the debt or claim for which such creditor is entered in the said list. Such notice shall be sent

by prepaid letter post to each creditor at his last known address: Provided that where such address is not in British India, or is not known to the company, the Judge may direct notice to be given to such creditor in such manner as he may think fit. Such notice shall be in Form No. 5.

22. *Advertisement of List of Creditors.*—Notice of the filing of the list of creditors shall be advertised by the company in such manner as the Judge shall direct. Such notice shall be in the Form No. 6.

23. *Claimants to larger amount to furnish particulars.* A creditor entered in the said list who claims to be a creditor for a large amount than that stated therein shall send his name and address, and particulars of his debt or claim, and the name and address of his attorney (if any) to the attorney of the company, within the time stated in such notice being not more than fourteen days from the date of the notice or such further time as the Judge may allow.

24. *Affidavit verifying list of Creditors.*—The company shall, within such time as the Judge shall direct, file an affidavit made by its attorney verifying a list containing the names and addresses of persons (if any) who shall have sent in particulars of their debts or claims in pursuance of the notice prescribed by Rule 22, and the amounts of such debts of claims. A competent officer of the company shall join in such affidavit proving the despatch and publication of such notices, and distinguishing in such list which (if any) of such debts and claims are wholly, or as to any and what part thereof, disputed by the company. Such affidavit shall be in Form No. 7.

25. *Procedure where Claim not admitted.*—Where any debt or claim, the particulars of which have been sent, is not admitted by the company in full, then and in every such case, unless the company is willing to set apart and appropriate in such manner as the Judge shall direct the full amount of such debt or claim, the company shall, where the Judge thinks fit so to direct, send to the creditor a notice that he is required to prove such debt or claim or such part thereof as is not admitted by the company, by a day to be therein named being not less than fourteen days after such notice, and being the time appointed by the Judge for adjudicating upon such debts and claims. Such notice shall be sent in the manner provided by Rule 21, and shall be in Form No. 8, and such affidavit in proof shall be in Form No. 9.

26. *Costs of Proof.*—The costs of proof of a debt or claim in pursuance of the notice prescribed by Rule 25 shall be in the discretion of the Judge.

27. *Certificate by the Judge as to Creditors.*—The result of the settlement of the list of creditors shall be stated in a certificate which shall be prepared by the attorney of the Company and signed by the Judge. Such certificate shall (1) specify debts or claims (if any) which have been disallowed; (2) distinguish (*a*) debts or claims the full amount of which the company is willing to set apart and appropriate, (*b*) debts or claims (if any) the amount of which has been fixed by inquiry and adjudication in manner provided by Section 59 of the Act, (*c*) debts or claims (if any) the full amount of which is not admitted by the company, and of which the company is not willing to set apart and appropriate the full amount or the

amount of which has not been fixed by inquiry and adjudication as aforesaid; (3) show (*a*) which of the creditors have consented to the proposed reduction, and the total amount of the debts due to them, (*b*) the total amount of the debts or claims the payment of which has been secured in manner provided by Section 59 of the Act and the person to or by whom the same are due or claimed. It shall not be necessary to show in such certificate the several amounts of the debts or claims of any persons who have consented to the proposed reduction or the payment of whose debts or claims has been secured as aforesaid.

28. *Hearing of Petition.*—After the expiration of either days from the filing of such last-mentioned certificate, the petition shall be set down for hearing, by requisition addressed to the Registrar by the attorney of the company.

29. *Notice of Hearing.*—Notice of the day appointed for the petition to be heard shall, unless the Judge otherwise directs, be advertised in the same manner as the notice, under Rule 23 so that the first or only advertisement shall be published not less than fourteen days before such day. Such notice shall be in Form No. 10.

30. *Who may Appear on Hearing*—Any creditor included in the said certificate whose debt or claim has not, before the hearing of the petition, be discharged or determined or been secured in manner provided by Section 59 of the Act, and who has not before the hearing consented to the proposed reduction of capital, may appear at the hearing of the petition and oppose the application. A creditor intending so to appear shall give two days' notice in writing of such intention to the attorney of the company and in default of such notice shall not without the leave of the Judge be entitled to appear. The costs of the appearance of a creditor shall be in the discretion of the Judge.

31. *Directions at Hearing.*—At the hearing of the petition the Judge may, if he think fit, give such direction as may seem proper with reference to the securing in manner mentioned in Section 59 of the Act, the payment of the debts or claims of any creditors who do not consent to the proposed reduction, and the further hearing of the petition may, if the Judge think fit, be adjourned for the purpose of allowing any steps to be taken with reference to the securing in manner aforesaid the payment of such debts or claims.

32. *Order Confirming Reduction.*—Where the Judge makes an order confirming a reduction, such order shall give direction as to the manner in which, in what newspapers, and at what times notice of the registration of the order and of such minute, as is mentioned of Section 61 of the Act, shall be published, and (unless the addition of the words "and Reduced" shall have been dispensed with altogether or shall be dispensed with thenceforth) shall fix the date until which the words "and Reduced" are to be deemed part of the name of the Company as provided in Section 57 of the Act.

33. *Publication of reasons for Reduction, etc.*—Where the Judge shall think fit to require the company to publish the reasons for the reduction of its capital or any other information with regard thereto, or the cause which led to such reduction (as provided by Section 65 of the Act) the same shall be advertised in such newspapers, in English and in the vernacular, as the Judge shall think fit.

WINDING-UP

PETITION.

34. *Form.*—The petition shall be in the Form No. 11 or Form No. 12.

35. *Verification of Petition.*—The petition shall be verified by an affidavit to be made by the petitioner or by one of the petitioners, if more than one, or, if the petition is presented by a corporation, by a Director, Secretary, or other principal Officer thereof, and presented with and filed upon the admission of the petition: Provided that where the Judge is satisfied that the petitioner is unable to make such affidavit by reason of absence, illness or other sufficient cause of alike nature it may, with the sanction of the Judge to be given at the time of the presentationof the petition, be made by any person duly authorised by the petitioner and competent to make the same. Such affidavit shall be in Form No. 13.

36. *Directions on Admission.*—Upon the admission of the petition the Judge shall fix a date for the hearing thereof and give directions as the advertisements to be published and as to the person on whom copies are to be served. At any time before the petition has been advertised as directed the Judge may alter the date so fixed for the hearing.

37. *Advertisement of Petition.*—In default of any direction to the contrary the petition shall be advertised fourteen clear days before the date fixed for the hearing thereof as follows:—once in the Calcutta Gazette, and once at least in an English daily newspaper and a vernacular daily newspaper published in Calcutta, and in the case of a petition to a District Court once at least in one local newspaper, if such there be, and by proclamation affixed to the walls of the Court House. The advertisement shall be in Form No. 14.

38. *Affidavit as to Advertisements.*—The petition or his attorney shall, not less than three days before the date fixed for the hearing, make and file an affidavit that the directions as to advertisements have been observed, and produce for inspection copies of such advertisements. In default of compliance with the directions as to advertisements the appointment for the hearing of the petition shall be cancelled and the petition removed from the file unless the Judge shall otherwise direct.

39. *Service of Petition.*—Every such petition shall, unless presented by the company, be served at the registered office of the company, and if there is no registered office, then at the principal or last known principal place of business of the company by leaving a copy thereof with a copy of the order made under Rule 36 with any member, officer, or servant of the company or in case no such member, officer, or servant can be found at such office or place of business then in such manner as the Judge may direct. If the company is at the date of the admission of the petitioning being wound up voluntarily, the petition shall also be served upon the liquidator (if any), appointed for the purpose of winding-up the affairs of the company by leaving such copies with him or in such manner as the Judge may direct. Such affidavits of service shall be in Form No. 15 and 16

40. *Copy of Petition to be Furnished*—Every contributory or creditor of the company on payment of the usual fees shall be entitled within twenty-four hours after such payment to be furnished by the petitioner, or his attoreny, if any, with a copy of the petition

and of the affidavit in verification thereof and shall also be entitled upon payment of the prescribed fees to obtain such copies from the Court.

HEARING OF PETITION.

41. *Notice of Intention to Appear on Hearing.*—A person who intends to appear on the hearing of the petition shall leave with, or send by registered post to, the petitioner, or his attorney, notice of such intention signed by him, or his attorney. Such notice shall be served, or, if sent by registered post, shall be posted in time to reach the addresses not later than two clear days before the day appointed for the hearing of the petition. No person who has failed to comply with this rule shall be allowed to appear on the hearing of the petition without the leave of the Judge. Such notice shall be in Form No. 17.

42. *Affidavit in Opposition.*—A affidavit intended to be used in opposition to the petition shall be filed not less than five days before the date fixed for the hearing thereof, and notice of the filing thereof shall be given to the petitioner, or his attorney, on the day on which the affidavit is filed. If any person fails to comply with this rule the affidavit, unless the Judge otherwise directs, shall not be used on the hearing of the petition.

43. *Affidavit in Reply.*—An affidavit intended to be used in reply to an affidavit filed in opposition shall be filed not less than two days before the date fixed for the hearing of the petition. Notice of such filing shall be given forthwith to the person by whom the affidavit in opposition was filed or to his attorney.

44. *Procedure where Petition not Prosecuted.*—When a petitioner applies for leave to withdraw his petition, or asks that it be dismissed or that the hearing thereof be adjourned or fails to appear in support thereof, or if appearing does not apply for an order in terms thereof or if for any other sufficient reason the Judge shall think fit so to do, the Judge may, upon such terms as he thinks just, substitute as petitioner any creditor or contributory who in his opinion would have a right to present a petition, and is desirous of prosecuting the petition already admitted and such substituted petitioner shall within such time as the Judge may order file an affidavit setting out the grounds upon which he supports the petition.

WINDING-UP ORDER AND SUMMONS FOR DIRECTIONS

45. *Notice of order to be given to Registrar of Companies.*—When an order for the winding-up of a company by or under the supervision of the Court has been made the petitioner or his attorney shall forthwith send to the Registerar of Companies a notice in Form No. 18.

46. *Form of Winding-up Order.*—At the time of making the winding-up order, or at any time thereafter, the Judge may (1) appoint an Official Liquidator either temporarily or permanently and fix his remuneration, (2) sanction the appointment by the Official Liquidator of an attorney to assist the Official Liquidator in performance of his duties, (3) give directions as to (*a*) the advertisements to be published and the persons, if any, on whom the order shall be served as also the mode of such service, (*b*) the persons to whom notice shall be given of the further proceedings, (*c*) the persons on whom the summons for direction hereinafter prescribed shall be served

and the mode of such service. The order shall be in Form No. 19 or Form No. 20.

47. *Service of Order on the Company.*—If the company is not the petitioner or does not appear at the hearing of the order shall be served upon the company.

48. *Advertisement of Order.*—In default of any directions as to advertisements the order shall within fourteen days after the order shall have been sealed be advertised by the petitioner, or the substituted petitioner as the case may be, once in the Gazette of India and once in the Calcutta Gazette and shall be served upon such person and in such manner as the Judge may direct. The form of advertisement shall be in Form No. 21.

49. *Summons for Directions.*—Within fourteen days, or such less times as the Judge may direct, after the order shall have been sealed, a summons shall be taken out by the Official Liquidator, if appointed, otherwise by the petitioner, or by any other person directed as aforesaid. Upon hearing of such summons directions shall be given by the Judge in respect of such matters as he shall deem necessary or expedient including any of the matters following:—(*a*) for the appointment of an Official Liquidator (if not already appointed or if appointed temporarily), (*b*) delegation under Section 246 of the Act of the powers of the Court, (*c*) for the proof of debts, (*d*) settlement of the list of contributories, (*e*) powers of the Official Liquidator in respect of matters specified in Section 179 of the Act. The further proceedings under the order shall be continued by adjournment of such summons, and save as otherwise provided by these rules all applications by an Official Liquidator, creditor, or contributory, shall be made by restoration of such summons supported by affidavit: Provided that the Judge may direct the service or re-service of such summons or of a further summons on any person.

50. *Affidavits to be filed and Served.*—Any person intending to use any affidavit in any proceeding taken in the winding-up after the making of the order shall file the same and, unless the Judge otherwise directs or unlses otherwise required by these rules, shall serve a copy thereof on the Official Liquidator, or, if there shall be no Official Liquidator, on the petitioner or his attorney, not less than two clear days before the hearing of any application or proceeding upon which it is intended to be used.

PROVISIONAL APPOINMENT OF AN OFFICIAL LIQUIDATOR.

51. *Mode of Application.*—The Judge may, upon the application of the petitioner or of a creditor or contributory made on petition and upon proof by affidavit, or otherwise, of sufficient grounds for making the appointment, provisionally appoint an Official Liquidator (in these Rules called a Provisional Liquidator) upon such terms, as to security, if any, and otherwise as he may think fit.

52. *Form of Order.*—The order appointing a Provisional Liquidator shall state the nature and description of any property of which possession is ordered to be taken and the duties of the Provisional Liquidator. Such order shall be in Form No. 22.

53. *Directions as to Remuneration and Expenses.*—Upon the appointment of a Provisional Liquidator, or at any time thereafter, the Judge may give such directions and make such order as he thinks fit as to the remuneration of the Provisional Liquidator and the pay-

ment thereof and the payment of all costs, charges and expenses properly to be incurred by him.

54. *Application of Rules Relating to Official Liquidator.*—The rules contained in this chapter relating to Official Liquidators shall, so far as the same are applicable and subject to any directions of the Judge or Court in each case, apply to Provisional Liquidators.

APPOINTMENT AND DUTIES OF OFFICIAL LIQUIDATOR.

55. *Appointment, when without Notice.*—In the event of no Official Liquidator having been appointed before or at the time of the making of the winding-up order, the power of the Judge under Rule 46 to appoint an Official Liquidator may be exercised without previous advertisement or notice.

56. *Advertisements of time fixed for Appointment.*—Advertisements of the time fixed for the appointment of an Official Liquidator, if directed shall be published as the Judge may direct, but so that the first or only advertisement shall be published not less than seven days before the time so fixed. The advertisement shall be in Form No. 23.

57. *Nominations.*—Creditors or contributories may, on the date fixed for such appointment, nominated any person or persons for appointment as Official Liquidator, and every nomination shall be in writing signed by the nominator and nominee and contain an undertaking by the nominee that he will furnish such security as the Judge may order. Nominations shall be in Form No. 24.

58. *Certification of Security.*—No order for the appointment of an Official Liquidator shall, in the even of security being directed to be furnished, be filed until such security has been furnished and certified as hereinafter provided.

59. *Filing of Order.*—Upon such certification the order shall be filed forthwith. If no security be directed to be furnished the order shall be filed within seven days from the date thereof.

60. *Form of Order.*—Such order shall fix the dates and intervals of time at which the Official Liquidator shall file his accounts of receipts and payments and shall be in Form No. 25.

61. *Copy of Order to be filed with Registrar of Companies.*—A certified copy of the order appointing an Official Liquidator shall be filed by him with the Registrar of Companies within ten days of the same being filed.

62. *Appointment to be Advertised.*—The appointment of an Official Liquidator shall be advertised by such Liquidator in such manner as the Judge may direct immediately after the order has been filed. Such advertisement shall be in Form No. 26.

63. *Liquidator. When may Act before Order filed.*—The Judge may direct that an Official Liquidator may act pending the filing of the order appointing him and the furnishing of security, if any.

64. *Death, Resignation and Removal of Liquidator.*—If an Official Liquidator shall die, or resign or be removed, another Official Liquidator shall be appointed in such manner as the Judge may direct.

65. *Affidavit as to sureties.*—Whenever an Official Liquidator shall submit his accounts to be passed, and also at other times whenever the Judge may so direct, the Official Liquidator shall satisfy the Judge by affidavit or otherwise, as the Judge may direct, that his sureties are living, and resident in British India, and have not been

adjudged insolvent, or in the case of a corporation, that such surety is carrying on business in British India, and in default thereof he may be directed to furnish fresh security.

66. *Transactions by Liquidator.*—An Official Liquidator, except by leave of the Judge, shall not directly, by himself or by any partner, clerk agent, servant, or otherwise enter into any transaction of any nature whatsoever with the company or himself as such Liquidator.

67. *Avoidance of Transactions by Liquidator.*—Any transaction had in breach of the provisions of Rule 66 may be set aside by the Judge on the application of any creditor or contributory or of his own motion. The Judge may forthwith remove an Official Liquidator acting in breach of Rule 66 and may make such order as to costs as he shall think fit.

68. *Costs of Application for Sanction to Transaction.*—In any case in which the leave of the Judge is given under Rule 66, all costs of obtaining such leave shall be borne by the person in whose interest such leave is obtained, and shall not be payable out of the company's assets.

69. *Mode of Application to Resign.*—An Official Liquidator who desire to resign his office shall apply to the Judge by petition for permission, and thereupon the Judge shall determine whether or not the resignation shall be accepted, or may give such directions and make such order he shall deem expedient.

70. *Insolvency of Liquidator.*—If an Official Liquidator be adjudged insolvent, the Judge shall, upon the application of any creditor or contributory, remove such Liquidator.

SECURITY BY PROVISIONAL LIQUIDITOR OR OFFICIAL LIQUIDATOR.

71. *Security by Liquidator.*—Every Provisional Liquidator or Official Liquidator shall, unless the Judge shall otherwise direct, give security by depositing Government securtise or by entering into a bond with one or more sufficient suretise, in such sum and within such time as the Judge may direct. Such bond shall be in Form No. 27 or Form No. 28 and the affidavit by such sureties shall be in Form No. 29.

72. *Certificate as to Security.*—In every case where security is ordered to be furnished the same shall be certified by the Registrar of the District Judge, as the case may be, as having been furnished in the manner and time ordered. Such certificate shall be in Form No. 30.

73. *Failure to Furnish Security.*—If a Provisional Liquidator or Official Liquidator fails to furnish the required security within the time ordered or within any extension thereof, the Judge may rescind the order of appointment and make such other appointment and such order as to costs as he considers fit and proper.

74. *Failure to maintain security.*—If a Provisional Liquidator or Official Liquidator fails to maintain the security ordered to be furnished the Judge may remove him and make such other appointment and such order as to costs as he may think fit.

75. If it shall appear at any time that the security furnished by the Provisional Liquidator or Official Liquidator is inadequate or excessive the Judge may upon the application of the Provisional Liquidator or Official Liquidator, or of a creditor or contributory order that the security be increased or reduced in amount.

BANKING ACCOUNT AND INVESTMENT BY OFFICIAL LIQUIDATOR.

76. *Liquidator's Banking Account.*—Upon a winding-up order being made by the High Court the Official Liquidator shall, as soon as may be after his appointment, open an account with the Imperial Bank of India or such other Bank as the Judge may direct (hereinafter called "the Bank") in the name of the "the Official Liquidator of the Company in liquidation." The authority to open an account with a Bank other than the Imperial Bank of India shall be in Form No. 31.

77. *Payment into Bank.*—All monies received in the course of the winding-up shall be paid into such account at the Bank immediately after receipt thereof, and in the case of a winding-up by a District Court into that Court.

78. *Payment out of Bank*—No monies shall be paid out of the aforesaid banking account except upon cheques or orders signed by the Official Liquidator and countersigned by the Registrar, provided that the Judge may dispense with such countersignature.

79. *Penalty for Breach or Rule*—Where any Official Liquidator shall not pay any monies received by him to the Bank or into the District Court, as the case may be, within seven days after the receipt thereof, such Official Liquidator shall, unless the Judge otherwise directs, be charged in his account with Re. 1 for every Rs. 100, or part thereof, for every seven days, or part thereof, during which the same shall have been retained, and the Judge may, for any such retention, disallow the whole or part of the salary or remuneration of such Official Liquidator.

80. *Deposit of Securities in Bank.*—Unless the Judge shall otherwise direct, all bills, hundis, notes and other securities of a like nature payable to the company or to the Official Liquidator thereof shall, as soon as they shall come to the hands of such Official Liquidator, be deposited by him with the Bank, or in the case of a District Court with such Court, for the purpose of being presented for acceptance and payment, or for payment only, as the case may be

81. *Delivery or Securities by Bank.*—No bills, hundis, notes and other securities deposited as aforesaid shall be delivered out save upon a request signed by the Official Liquidator and countersigned by the Registrar.

82. *Investments of Balances at Banks*—All or any part of the money for the time being standing to the credit of the account of the Official Liquidator at the Bank, or in the case of a District Court in that Court, and not immediately required for the purposes of winding-up, may be invested in the purchase of securities issued by the Government of India in the name of the Official Liquidator. All such ivestments shall be made by the Bank or by the District Court, as the case may be, upon a request signed by the Official Liquidator such request shall be in Form No. 32. Such securities shall be retained by the Bank or by the said District Court in the name and on behalf of the Official Liquidator, and shall not afterwards be sold or transferred or otherwise dealt with, except upon a direction for that purpose signed by the Official Liquidator and countersigned by the Registrar.

83. *Interest and Dividends on Securities.*—All dividends and interest to accrue due from any such securities shall from time to time be received by the Bank or the District Court, as the case may be, (for which purpose the Official Liquidator may execute such power or

powers of attorney as may be necessary) and placed to the credit of the account of such Official Liquidator.

84. *Form of Sanction Under Section* 179 (*f*).—The sanction of the Judge under Section 179 (*f*) of the Act shall be endorsed on any bill of exchange, hundi or promissory note and signed by the Registrar.

BOOKS OF ACCOUNT AND RECORDS OF OFFICIAL LIQUIDATOR.

85. *Books to be kept.*—The Official Liquidator shall forthwith upon his appointment provide and keep proper books of account for the purpose of showing the receipts and payments of the company in its liquidation and of all such transactions and matters as may be necessary to furnish a correct record of his administration of the affairs of the company. In particular, he shall keep (*a*) cash-book, in which shall be entered from day to day all receipts and payments, (b) a Ledger, which shall include individual accounts of the contributories, in which every contributory shall be debited with the amount payable by him in respect of any call, and (c) a book to be called the "Record Book" in which shall be recorded all minutes, all proceedings had, and resolutions passed at any meeting of creditors or contributories, and all such matters other than matters of account as may be necessary to furnish a correct record of his administration of the affairs of company.

86. *Verification and Passing of Accounts.*—The accounts of the Official Liquidator shall be verified by affidavit and shall be filed at such times as may be ordered by the Judge, and shall be passed upon notice to such persons (if any) as the Judge may direct. Such accounts and affidavit shall be in Forms Nos. 33 and 34 respectively.

87. *Copies of Account.*—A creditor or contributory shall be entitled to obtain from the Registrar a copy of any such account upon payment of the prescribed fees.

88. *Books to be kept where Liquidator Conducts Business.*—Where the Official Liquidator is authorised to carry on the business of the company, he shall keep separate books of account in respect of such business, and *mutatis mutandis*, rules 85, 86 and 87 shall apply.

89 *Affidavit of no Receipts or Payments.*—Where an Official Liquidator has not since the date of his appointment or since the last filing and passing of his accounts, as the case may be, received or paid any sums of money as Official Liquidator, he shall, at the time when he is required to file his accounts, file an affidavit of no receipt or payments. Such affidavit shall be in Form No. 34.

90. *Delivery of Books by Liquidator to Successor.*—Upon an Official Liquidator being permitted to resign or being removed from his office, he shall deliver to his successor, or to such person as the Judge may direct, all books kept by him, and all other books, documents, papers and accounts in his possession relating to the company.

97. *Disposal of Books.*—The Judge may, at any time during the progress of the liquidation, on the application of the Official Liquidator, give directions as to the disposal of such of the books, papers and documents of the company or of the Official Liquidator as are no longer required for the purpose of the liquidation.

STATEMENT OF ASSETS.

92. *Statement.*—The Official Liquidator shall, within three months from the date of his appointment, prepare and file with the Registrar, a statement of assets of the company as at the date of the order for winding-up the company. Such statement shall be in Form No. 35.

REMUNERATION OF OFFICIAL LIQUIDATOR.

93. *How Allowed or Paid.*—The Official Liquidator shall be allowed in his accounts, or otherwise paid, such remuneration as the Judge may direct, and such remuneration may be fixed either at the time of his appointment, or thereafter and may be altered. Such remuneration may be fixed or altered to cover or exclude the employment of assistants or clerks, office rent and incidental expenses. No money shall be appropriated to such remuneration, save upon the passing of an account, or upon an application by the Official Liquidator for that purpose on notice to such persons (if any) and supported by such evidence as the Judge may direct; provided nevertheless that the Judge may from time to time allow an Official Liquidator to appropriate such sums as he may think fit on account of remuneration to be thereafter fixed.

94. *Unauthorised Benefit to Liquidator.*—An Official Liquidator shall not accept or agree to accept from any person any gift, remuneration or benefit whatever, nor shall be without the sanction of the Judge give up or agree to give up any part of such remuneration to any person.

DEBTS, CLAIMS, AND PROOFS

95. *Form of Advertisement for Debts, Etc.*—For the purpose of ascertaining the debts due by and claims against the company and of requiring debts and claims to be proved an advertisement shall be published by the Official Liquidator in such manner as the Judge shall direct. Such advertisement shall be in Form No. 36.

96. *Investigation of Debts and Claims by Liquidator.*—The Official Liquidator shall investigate all debts and claims of which he has received due notice and shall, within twenty-eight days from the date fixed by the advertisement published under rule 95, decide which thereof are either in whole or in part justly due and proper to be allowed without further evidence and which ought to be proved either in whole or in part.

97. *Creditor's Attendance.*—No creditor need attend upon the investigation, nor prove his debt or claim unless required to do so by notice from the Official Liquidator, to be given by prepared letter post at the last known address of creditor. Such notice shall be in Form No. 37.

98. *Mode of Proof.*—A creditor so required to prove his debt or claim shall do so by affidavit to be sent by him to the Official Liquidator by registered letter post, and if not made by the creditor himself such affidavit shall state the authority and means of knowledge of the deponent. Such affidavit shall contain particular of any security held sufficient to identify the same and shall be in Form No. 38.

99. *Production of Securities and Vouchers.*—The Official Liquidator may at any time call for the production of the securities

or vouchers specified in the affidavit referred to in rule 98 and in default of such production may reject the proof.

100. *Duty of Liquidator as to Proof.*—The Official Liquidator shall within twenty-eight days after receiving a proof either admit or reject it wholly or in part.

101. *List of Debts and Settlement thereof.*—When the Official Liquidator has completed his investigation of all debts and claims he shall file a list thereof in Court supported by affidavit and obtain an appointment from the Judge to settle the same, and shall give not less than four days' notice of such appointment to every person included in such list, stating whether his debt or claim has been admitted or rejected and, if rejected, whether in whole or in part, and requiring him to prove the same before the Judge. Such affidavit and notice shall be in Form No. 39 and Form No. 40, respectively.

102. *Adjudication.*—Upon the date appointed for settlement of the list of creditors or on any adjourned date the Judge shall adjudicate thereon.

103. *Costs of Proof.*—Such creditors as prove their debts or claims shall, unless the Judge shall otherwise direct, bear the costs of such proof.

104. *Certificate.*—The settlement of the list of debts and claims shall be recorded in a certificate signed by the Judge in Form No. 41.

105. *Expunction or Reduction of Proof.*—If the Official Liquidator is of opinion that a proof has been improperly admitted he may apply, on notice to the creditor who made the proof, to expunge the proof or reduce its amount.

106. *Application by Creditor or Contributory to Expunge or Reduce Proof.*—If the Official Liquidator declines to interfere in the matter a creditor or contributory may apply to the Judge to expunge or reduce a proof.

COLLECTION AND DISTRIBUTION OF ASSETS.

107. *Liquidator in Officer of the Court.*—The duties imposed the Court by Section 184 (1) of the Act in a winding-up by the Court, with regard to the collection of the assets of the Company, and the application of the assets in discharge of the company's liabilities shall be discharged by the Official Liquidator as an officer of the Court subject to the control of the Judge.

108. *Enforcement of Powers of Liquidator in Relation to Assets.*—For the purpose of the discharge by the Official Liquidator of such duties the Official Liquidator shall, for the purpose of acquiring or retaining possession of the property of the company, be in the same position as if he were a Receiver of property appointed by the Court, and the Judge may, on his application, enforce such acquisition or retention accordingly.

109. *Delivery of Property to Liquidator.*—The powers conferred on the Court by Section 185 of the Act shall be exercised by the Official Liquidator as an Officer of the Court subject to the control of the Judge. Any contributory for the time being on the list of contributories, trustee, receiver, banker or agent or officer of a company, shall, on notice from the Official Liquidator forthwith, or within such

time as he shall by notice in writing require, pay, delivery, surrender or transfer to or into the hands of the Official Liquidator any sum of money, propetrty or documents in his hands to which the company is *prima facie* entitled.

LIST OF CONTRIBUTORIES.

110. *Preparation of List.*—The Official Liquidator shall, with all convenient speed after his appointment, prepare a list of the contributories of the company and shall, subject to any order made upon the hearing of the summons for directions, appoint a time and place for the preliminary settlement of such list. The Official Liquidator shall, so far as is practicable, state therein the respective addresses of, and the number of shares or extent of interest to be attributed to each contributory, and shall distinguish the several classes of contributories. As regards representative contributories the Official Liquidator shall observe the requirements of Section 184 (2) of the Act.

111. *Notice of Preliminary Settlement.*—The Official Liquidator shall give notice in writing of the time and place appointed for the preliminary settlement of the list of contributories to every person included in the list, and shall state in the notice to each person in what character and for what number of shares or interest such person is included in the list. Such notice shall be in Form No. 42.

112. *Completion of Preliminary Settlement.*—On the day appointed for the preliminary settlement of the list of contributories the Official Liquidator shall hear any person who has any objection to prefer with reference to his inclusion or to the extent thereof in the said list, and after such hearing the Official Liquidator shall complete the preliminary settlement of the list and file the same. Such list shall be in Form No. 43.

133. *Notice of Settlement by Judge*—Upon the list of contributories being filed the Official Liquidator shall obtain an appointment from the Judge to settle the same, and shall give notice in writing of such appointment to every person included in such list, stating in what character and for what number of shares or interest such person is included in such list, and by such notice shall inform such person that any application for the removal of his name from the list, or for any other variation of the list, should be made on such appointed day. Unless the Judge otherwise directs no application to vary the list as filed shall be entertained unless made on the day so appointed. Any application for such purpose made on any day other than the day so appointed shall be made by summons to be served on the Official Liquidator at least four clear days before the returnable date of such summons and, unless good cause be shown that such application could not have been made on the appointed day, all costs of and incidental to such application shall be payable by the applicant. The notice prescribed by this rule shall be in Form No. 44.

114. *Form of Endorsement on List after Settlement.*—Upon the settlement of the list by the Judge the same shall be endorsed and signed by the Judge. Such endorsement shall be in Form No. 45.

115. *Application to Vary List.*—The Official Liquidator may at any time apply to the Judge to vary the list of contributories so settled. Upon such application the Judge shall give such directions and make such orders as may be necessary.

116. *Address of Contributory.*—The address of a contributory as stated in such list shall, unless otherwise directed by the Judge, be his address for service under these Rules.

CALLS.

117. *Mode of Application for Leave to Make a Call.*—In a winding up by the Court an application by the Official Liquidator for leave to make a call on the contributories of a company, or any of them, shall be made by petition. Upon such application, the Judge if he admits the petition shall fix a date for the hearing thereof. Such petition shall be in Form No. 46. Notice of such appointed date shall be given by advertisement or otherwise as the Judge may direct. No contributory shall be served with an individual notice, unless the Judge shall so direct, and every notice and advertisement to be served, given or published under this rule shall be served or published at least four clear days before the date so appointed. Such notice shall be in Form No. 47.

118. *Service of Order for Call.*—When any order authorising a call has been made a copy thereof shall forthwith be served by registred post, or as the Judge may direct, upon each of the contributories liable to pay such call, together with a notice by the Official Liquidator making such call and specifying the amount due from such contributory in respect of such call. Such order and notice shall be in Form No. 48 and Form No. 49, respectively.

119. *Directions as to payment of Call*—At the time of making an order authorising a call the Judge shall give directions as to the time within which such call shall be paid, and whether payment shall be made to the Official Liquidator or to the Imperial Bank, or, in the case of a District Court, into such District Court.

120. *Summons to Enforce Payment.*—The payment of the amount due from such contributory may be enforced by order of the Judge to be made on summons by the Liquidator, supported by an affidavit. Such summons, affidavit, and order shall be in Forms Nos. 50, 51, and 52, respectively. The affidavit of service of the order shall be in Form No. 53.

COMPROMISE OF CLAIMS BY COMPANY.

121. *Sanction to be Obtained.*—No claim by the company against any person shall be compromised or abandoned by the Official Liquidator without the sanction of the Judge upon notice to such person or persons, if any, as the Judge shall direct.

122. *Mode of Application.*—Every application for sanction to a compromise or arrangement with any person indebted to the company shall be supported by the affidavit of the Official Liquidator stating that he is satisfied for reasons stated in such affidavit that the proposed compromise or arrangement will be beneficial to the company.

APPLICATIONS UNDER SECTION *183* (*5*).

123. An application under Section 183 (5) of the Act shall be made by petition supported by the affidavit of the applicant on notice to the Official Liquidator and shall be made within twenty-one days from the date of the act or decision complained of.

PROCEEDINGS UNDER SECTIONS *212 (2) and 215.*

124. *Mode of Appeal Under Sections 212 (2) and Application Under Section 215.*—An appeal under Section 212 (2) and an application under Section 215 of the Act shall be made by petition verified by affidavit or, where the Court shall so direct, by summons.

SALES OF PROPERTY

125. *Mode of Sale.*—Any movable or immovable property belonging to the company shall be sold with the sanction of the Judge by the Official Liquidator or an agent or auctioneer appointed by him for such purpose or, if the Judge shall so direct, in the same manner as in the case of a sale under a decree or order of the Court in a suit. In the case of immovable property, unless the Judge otherwise orders, and in the case of movable property if the Judge so directs the conditions or contracts of sale shall be as provided in Forms 1 and 2 in Appendix J of the Original Side Rules of the Court provided that any variation therefrom shall be settled and approved by the Registrar or District Judge, as the case may be.

126. *Payment of Purchase Money.*—The purchase money shall be paid in such manner as the Judge may direct and, in the absence of any directions, all conditions and contracts of sales shall provide that the purchase money shall be paid by the respective purchasers into Court or into the Bank, to the account of the Official Liquidator of the Company, or, in the case of a District Court, into that Court

GENERAL MEETINGS OF CREDITORS AND CONTRIBUTORIES

127. *Mode of Convening.*—All general meetings of creditors or contributories shall, unless the Judge otherwise directs, be convened and held in the manner hereinafter provided.

128. *Form of Notice.*—The Official Liquidator shall summon a meeting by giving not less than seven days' notice of the time and place thereof in two daily newspapers published in Calcutta and shall, not less than seven days before the day fixed for the meeting, and send notice thereof by prepaid letter post to every person appearing to him to be entitled to be present thereat. Such notice shall be in Form No. 54.

129. *Certificate of Notice.*—In the case of a meeting convened by direction of the Judge the Official Liquidator shall certify by affidavit, that such notices of the meeting have been duly posted. Such affidavit shall be in Form No. 55.

130. *Time and Place of Meeting.*—All meetings shall be held at such time and place as in the opinion of the Official Liquidator is most convenient for the majority of those entitled to be present thereat.

131. *Deposit by Creditor or Contributory of Expenses of Meeting.*—The Official Liquidator may require a creditor or contributory who is desirous that he should convene a meeting to deposit as a condition precedent thereto a sum sufficient for the costs thereof, to be computed in manner hereinafter stated, and on any application to the Judge by a creditor or contributory to direct the Official Liquidator to convene a meeting, whether the Official Liquidator shall or shall not have required such deposit to be made, the Judge may fix a sum to be deposited by the applicant for such costs, and such sum shall include all disbursements for printing, stationery, postage and hire of room, to be calculated at the following rate for each

creditor or contributory to whom notice is required to be sent, namely, Re. 1 per creditor or contributory for the first 25 creditors or contributories, annas 8 per creditor or contributory for the next 75 creditors or contributories, annas 4 per creditor or contributory for any number of creditors or contributories after the first hundred. The said sum so deposited shall be repaid out of the assets of the company if the Judge shall so direct.

132. *Chairman of Meeting.*—At every meeting of creditors or contributories the Official Liquidator, or some person nominated by him, shall be Chairman of the meeting. In the event of more than one person being appointed Official Liquidator the person named first in the order of appointment shall be entitled to take the chair or make the aforesaid nomination. Such nominations shall be in Form No 56

133. *Resolution when Deemed to be Passed.*—At a meeting of creditors a resolution shall be deemed to be passed when a majority in number and value of the creditors present personally or by proxy and voting on the resolution, have voted in favour of the resolution. At a meeting of contributories a resolution shall be deemed to be passed when a majority in number and value of the contributories present personally or by proxy, and voting on the resolution, have voted in favour of the resolution. the value of the contributories being determinded according to the number of votes conferred on each contributory by the regulations of the company.

134. *Copy of Resolution to be Filed.*—The Official Liquidator shall file with the Registrar a copy certified by him of every resolution passed at a meeting of creditors or contributories.

135. *Resolution not Invalid for Want of Notice.*—No proceedings or resolutions had or passed at a meeting of creditors or contributories shall, unless the Judge otherwise orders, be invalidated by reason of any creditor or contributory not having received notice thereof.

136. *Adjournment of Meeting.*—The Chairman may, with the consent of the meeting, adjourn it from time to time and from place to place, but the adjourned meeting shall be held at the same place as the original place of meeting unless in the resolution for adjournment another place is specified or unless the Judge otherwise orders.

137 *Quorum At Meeting.*—(1) A meeting may not act for any purpose except for the adjournment of the meeting unless there are present there at in person at least three creditors entitled to vote or three contributories so entitled, or all the creditors entitled to vote, or all the contributories, if the number of creditors entitled to vote or the contributories, as the case may be, shall be less than three.

(2) If within half an hour from the time appointed for the meeting a quorum of creditors or contributories is not present the meeting shall be adjourned to the same day in the following week at the same time and place, or to such other day as the Chairman may appoint not being less than seven or more than fourteen days. If at such adjourned meeting a quorum be not present two creditors or contributories present in person shall form a quorum and may transact the business for which the meeting was convened.

138. *Creditor's Right to Vote.*—Unless the Judge otherwise directs no person shall be entitled to vote at a meeting of creditors unless he has lodged with the Official Liquidator a proof of the debt which he claims to be due to him from the company, and such proof

has been admitted, wholly or in part, before the date on which the meeting is held.

139. *Creditor, When may not Vote.*—A creditor shall not vote in respect of any unliquidated or contingent debt, or any debt the value of which is not ascertained.

140. *Secured Creditor's Right to Vote.*—For the purpose of voting, a secured creditor shall, unless he surrenders his security, state in his proof of the particulars of his security, the date when it was given, and the value at which he assesses it, and shall be entitled to vote only in respect of the balance (if any) due to him after deducting the value of his security.

141. *Effect of Voting on Creditor's Security.*—If a secured creditor votes in respect of his whole debt he shall be deemed to have surrendered his security, unless the Judge on application is satisfied that the omission to value the security has arisen from inadvertence.

142. *Minutes of Meeting.*—The Chairman shall cause minutes of the proceedings at the meeting to be drawn up and fairly entered in a book kept for that purpose and he shall sign the same and affix by his own hand the date of such signature.

143. *Report by Chairman*—The Chairman of a meeting summoned by the direction of the Judge shall report the result thereof to the Judge. Such report shall be in Form No. 57.

PROXIES.

144. *Votes by Proxy*—A creditor or contributory may vote either in person or by proxy.

145. *Form of Proxy*—Every instrument of proxy shall be in Form No. 58, unless the Judge shall otherwise direct.

146. *Form to Accompany Notice of Meeting*—A form of proxy shall be sent to the creditors and contributories with the notice summoning the meeting, and neither the name nor description of the Official Liquidator nor of any other person shall be printed or inserted in the body of any instrument of proxy before it is so sent.

147. *Who may be Appointed Proxy*—No creditor shall appoint a proxy who is not a creditor of the company whose debt or claim has been admitted or allowed and no contributory shall appoint a proxy who is not a contributory of the company but a creditor or contributory may appoint the Official Liquidator to act as his proxy.

148 *Proxy to be lodged with Liquidator*—A proxy shall be lodged with the Official Liquidator not later than twenty-four hours before the time fixed for the meeting or adjourned meeting at which it is to be used and no proxy shall be admitted thereafter.

149 *Minors*—No minor shall be appointed a proxy.

150. *Proxy by Corporation*—Where a corporation is a creditor, any person who is duly authorised in writing by the corporation to act generally on behalf of the corporation at meetings of creditors and contributories and to appoint himself or any other person to be the corporation's proxy, may fill in and sign the form of proxy on the corporation's behalf and appoint himself to be the corporation's proxy, and a proxy so filled in and signed by such a person shall be received and dealt with as the proxy of the corporation.

151 *Use of Proxies by Deputy for Liquidator*—Where an Official Liquidator holds any proxies and cannot attend the meeting for which they are given he may, in writing, depute some person to use the proxies on his behalf in such manner as he may direct.

152. *Proxies by Blind or Incapable Creditors.*—The proxy of a creditor blind or incapable of writing may be accepted, if such creditor has attached ris signature or mark thereto in the presence of a witness, who shall add to his signature his description and residence, provided that all insertions in the proxy are in the handwriting of the witness, and that such witness shall have certified at the foot of the proxy that all such insertions were made by him at the request of the creditor and in his presence before the creditor attached his signature or mark.

153. *Proxies Signed in the Vernacular.*—A proxy signed in the vernacular shall also bear, adjacent to the signature, the name of this signatory in Roman characters, and where such name is that of the creditor or contributory the Official Liquidator shall not be bound to make further enquiry as to the genuineness of the vernacular signature.

DIVIDENDS

154. *Sanction for Dividend*—No dividend shall be declared by the Official Liquidator without the sanction of the Judge.

155. *Notice of Dividend*—Not less than one month's notice shall be given by the Official Liquidator of his intention to declare and pay a dividend. Such notice shall be given by advertisement (unless the Judge otherwise directs) and by sending by prepaid letter post a notice to every person whose name appears in the list of creditors as certified. Such Notices shall be in the Form No. 59 and Form No. 60.

156. *Transmission of Dividend by Post*—Dividends may, at the request and risk of the person to whom they are payable, be transmitted to him by post.

157. *Payment of Dividend to Nominee.*—A person to whom dividends are payable may lodge with the Official Liquidator an authority in writing to pay such dividends to another person named therein. Such authority shall be in Form No. 61.

158. *Return of Capital to Contributories*—Every order by which the Official Liquidator in a winding-up by the Court is authorised to make a return to contributories of the company shall, unless the Judge shall otherwise direct, contain or have appended thereto a schedule or list (which the Official Liquidator shall prepare) setting out in tabular from the names and addresses of the persons to whom the return is to be paid, and the amount of money payable to each person, and particulars of the transfers of shares (if any) which have been made or the variations in the list of contributories which have arisen since the date of the settlement of list of contributories The schedule or list shall be in Form No. 62, and notice of the return shall be given to each contributory in Form No. 63.

TERMINATION OF WINDING-UP PROCEEDINGS.

159. *Final Account*—Upon the termination of the proceedings for the winding-up of a company the Official Liquidator shall file a final account. Upon the passing of such account the balance in his hands (if any) shall be certified by the Judge; and upon payment by the Official Liquidator of such balance in such manner as the Judge shall direct the recognisances entered into by the Official Liquidator and his sureties shall be vacated. Such certificate shall be in Form No. 64.

160. *Payment of Balance.*—Unless the Judge shall otherwise direct, such balance shall be paid either into Court or in the High Court to the Registrar.

161. *Companies' Liquidation Account.*—Upon such payment such balance shall be paid, in the case of a winding-up by the High Court, by the Registrar into an account to be called the "Companies Liquidation Account" to be kept with the Imperial Bank of India.

162. *Order for Final Dissolution.*—When the Official Liquidator has passed his final account, and such balance has been duly paid, the Official Liquidator shall apply to the Judge for an Order that the company be dissolved. Such order shall be in Form No. 65.

163. *Deposit of Books, etc.*—Upon such order being made all documents and books of account or records of the Official Liquidator shall be deposited in Court unless the Judge otherwise directs.

164. *Claim to Balance.*—An application by a person claiming to be entitled to such balance or any part thereof shall be made to the Judge by petition to be verified by affidavit.

SERVICE OF SUMMONSES, NOTICES, ETC

165. *Mode of Service.*—Service upon contributories and creditors shall be effected except where personal service is required, by ending the notice, or a copy of the petition, summons, or order or other document to be served, through the post in a registered letter, addressed to the attorney (if any) of the party to be served, or otherwise to the party himself, and if a creditor, to the address stated in the list of debts and such notice or copy, summons, order, or other proceedings shall be considered as served at the time the same ought to have been delivered in due course of delivery by the Post Office, and notwithstanding the same may be or have been returned by the Post Office.

166. *Service not Invalidated by Misdescription.*—No service under these Rules shall be deemed invalid by reason of any error or omission in the name, style or designation of the person on whom service is sought to be made, provided the Judge is satisfied that such person has not been perjudiced thereby.

ATTENDANCE AND APPEARANCE OF PARTIES

167. *Who may attend Proceedings.*—Every person for the time being on the list of contributories of the company, and every person whose name appears in the list of debts shall be at liberty, at his own expense, to attend proceedings, and shall be entitled, upon payment of the costs occasioned thereby, to have notice of all such proceedings of which he shall by written request addressed to the Official Liquidator desire to have notice, but if the Judge shall be of opinion that the attendance of any such person upon any proceedings has occasioned any additional costs which ought not to be borne by the funds of the company, he may direct such costs, or a gross sum in lieu thereof, to be paid by such person and such person shall not be entitled to attend any further proceedings until he has complied with such direction.

168. *Representation Orders.*—The Judge may from time to time appoint any one or more of the creditors or contributories to represent before the Court, at the expense of the company, all or any class of the creditors or contributories, upon any question or in relation to any proceedings before the Court, and may remove any person so

appointed. If more than one person is appointed under this Rule to represent one class, they shall appear by the same attorney or advocate (if any) and be allowed one set of costs only.

169. *Appearance to be Filed.*—No contributory or creditor shall be entitled to attend any proceedings before the Judge unless and until he or an attorney on his behalf has filed an appearance with the Registrar. A book to be called at "Appearance Book" shall be kept by the Registrar in which all such appearances shall be entered. Such book shall be open to the inspection of the Official Liquidator and his attorney.

SUITS AND PROCEEDINGS IN THE HIGH COURT.

170. *Transfer to List of Judge taking Company matters.*—Upon the making of an order for the winding-up of a company by or under the supervision of the Court all suits and proceedings to which the company is or shall be a party then pending, or thereafter instituted in or transferred to the High Court, shall be assigned to and placed on the list of the Judge for the time being exercising jurisdiction under the Act in respect of such company.

TRANSFER OF WINDING-UP PROCEEDINGS

171. *Mode of Application.*—Applications for the transfer of winding-up proceedings either from the High Court to a District Court, or from one District Court to another, as the case may be, shall be made to the Judge by petition verified by affidavit. An order for transfer shall be in Form No. 66

EXAMINATION ORDERS.

172. *Mode of Application.*—An application for a summons under Section 195 of the Act shall be made to the Judge on petition verified by affidavit and may be made by the Official Liquidator, or, upon notice to the Official Liquidator, by a creditor or contributory.

173 *Who may attend the Examination.*—At the examination of a person summoned under the said section the Official Liquidator and the applicant (if other than the Official Liquidator) may attend in person, or with the sanction of the Judge, by attorney and advocate and may put such questions to the person examined as the Judge may allow.

174. *Proceedings not to be Public.*—Unless the Judge shall otherwise order, no examination of a person summoned under Section 195 of the Act shall take place in open Court, and the notes of the deposition of any person so examined, notwithstanding that such notes shall have been filed, shall not be open to the inspection of any person other than the Official Liquidator, nor shall any copy thereof or extract therefrom be supplied to any person other than the Official Liquidator save upon the order of the Judge.

MISFEASANCE.

175. *Mode of Application.*—An application under Section 235 of the Act shall be made to the Judge on summons, to be served, with a copy of any affidavit intended to be used in support, on every person against whom an order is sought eight days before the returnable date of the summons.

176. *Directions for Hearing.*—The Judge may give such directions for the hearing of the summons as to him may seem fit and may direct that evidence shall be taken wholly or in part by affidavit or orally.

177. *Who may Appear.*—At the hearing the Official Liquidator and the applicant (if other than the Official Liquidator) and any other person whom the Judge may allow and any person against whom an order is sought may appear and may do so by attorney and advocate and may put such questions to any person orally examined as the Judge may allow.

APPLICATION FOR PROSECUTION.

178. *Mode of Application.*—An application under Section 237 (1) of the Act shall be made by petition, verified by affidavit, upon notice to the Official Liquidator or Liquidator, as the case may be.

STATEMENTS TO THE REGISTRAR OF COMPANIES.

179. *Statements to be filed by Liquidator.*—Statements with respect to the proceedings in and position of a liquidation of a company, the winding-up of which is not concluded within a year of its commencement, shall be filed with the Registrar of Joint Stock Companies twice in every year as follows:—

(*a*) The first statement commencing at the date when a Liquidator was first appointed and brought down to the end of twelve months from the commencement of the winding-up, shall be filed within thirty days from the expiration of such twelve months, or within such extended period as the Judge may sanction, and the subsequent statements shall be filed at intervals of half a year, each statement being brought down to the end of the half year for which it is filed.

(*b*) Every Statement shall be filed in duplicate, and shall be in Form No. 33 and shall be verified by an affidavit in Form No. 34.

180. *Form of Statement in certain cases.*—Where a Liquidator has not during any period for which a statement has to be filed received or paid any money on account of the company, he shall, at the period when he is required to file his statement, file a statement in duplicate and with such statement shall also file an affidavit. Such statement and affidavit shall be in the Forms prescribed by Rule 86 as far as circumstances permit.

181. *Statement to be laid before Meeting by Liquidator.*—The statement to be laid before the meeting summoned under Section 216 (2) of the Act shall, in the case of the first statement, be a statement similar in all respects to the first statement filed with the Registrar of Joint Stock Companies under Rule 179; and subsequent statements shall be similar in form to the first statement, but shall commence at the date when the last previous statement terminated and be brought down to the end of twelve months from such date.

182. *Notice of Liquidator's Appointment in a Voluntary Winding-up.*—The notice of appointment of a Liquidator in a voluntary winding-up to be filed with the Registrar of Companies under Section 208 (1) of the Act shall be in Form No. 67.

COSTS.

183. *Fees to Attorneys.*—Attorneys shall be entitled to charge and be allowed the fees set forth and referred to in the table of fees in Chapter XXXVI, so far as the same are applicable, unless the Judge shall otherwise specially direct.

184. *Taxation.*—Where an order is made by the Judge for payment of any costs, the same shall be taxed by the Taxing Officer, except in cases where a sum in lieu of taxed costs is fixed by the order.

185. *Retrospective Orders for Costs.*—An application for an order for costs for which provisions might have been but has not been made by a previous order, shall only be made upon notice to the Official Liquidator who may appear on such application and object thereto. No costs of or incident to such application shall be allowed to the applicant, unless the Judge is satisfied that the omission to make such provision was not due to any default on the part of the applicant.

VOLUNTARY WINDING-UP.

186. *Application of Rules.*—Where an application is made in the voluntary winding-up of a company, whether or not an order shall have been made that the voluntary winding-up shall continue but subject to the supervision of the Court, these Rules so far as may be, shall be applied to the subject-matter and mode of such application.

RULES APPROVED BY THE JUDGES OF THE HIGH COURT FOR THE GUIDANCE SUBJECT TO THE PROVISIONS OF THE COMPANY'S ARTICLES OF ASSOCIATION OF PERSONS CALLING, HOLDING, OR PRESIDING AT MEETINGS OF CREDITORS OR CONTRIBUTORIES IN THE VOLUNTARY WINDING UP OF A COMPANY

1. Except and in so far as the subject-matter or the context may otherwise require, Rules 128, 130, 131, 133, 135, 136, 137, and 144 to 153, inclusive, of the Rules made by the High Court under the Indian Companies Act, 1913, and in relation to Company Matters, shall apply to meetings of creditors or contributories convened in a voluntary winding-up of a company.

Chairman of Meeting.—

2. The Chairman of any meeting shall be the Liquidator appointed by the company, or some person nominated by him for that purpose and in the event of more than one person having been so appointed Liquidators each of them shall, if present at the meeting, be entitled to be Chairman or to nominate some other person to be Chairman in priority to the other or others of them according to the order in which they are named in the resolution by which they were appointed. Provided that if a Liquidator shall have been appointed by the Judge in the place of a sole Liquidator appointed by the Company the Liquidator so appointed or his nominee shall be Chairman.

Powers of Chairman.—

3. The Chairman of the meeting shall have power to adjudicate

upon the right of a creditor to vote and the amount for which he should be allowed to vote.

Secured Creditor's Right to Vote.—

4. For the purpose of voting, a secured creditor shall, unless he surrenders his security, lodge with the Liquidator before the meeting a statement giving the particulars of his security the date when it was given, and the value at which he assesses it, and shall be entitled to vote in respect the balance (if any) due to him after deducting the value of his security. The vote of a secured creditor who has not complied with this Rule shall not be counted at the meeting.

Solicitation.—

5. No Liquidator appointed by the company nor any person who shall be proposed for appointment by the Judge as Liquidator under the provisions of Section 209 of the Act shall directly or indirectly solicit or canvas any person for the purpose of obtaining votes or proxies in his favour. No person contravening this Rule shall be appointed Liquidator and any Liquidator who shall be proved to have contravened this Rule may be removed if the Judge thinks fit.

Use of Proxies by Liquidator.—

6. Proxies in favour of the Liquidator appointed by the Company may be used by him in voting against any resolution for an application for the appointment of a Liquidator under the provisions of Section 209 of the Act.

APPENDIX TO THE RULES OF THE HIGH COURT, CALCUTTA UNDER THE INDIAN COMPANIES ACT, 1913.

FORMS.

1. Petition for Reduction of Capital. (Rule 14).
2. Advertisement of Presentation of Petition. (Rule 16).
3. Order where Creditors are entitled to object. (Rule 17)
4. Affidavit in verification of list of creditors. (Rule 21).
5. Notice to Creditors. (Rule 21).
6. Advertisement of List of Creditors. (Rule 23).
7. Affidavit in Verification of List of Creditors. (Rule 24).
8. Notice to Creditor to prove debt. (Rule 25).
9. Affidavit of Creditor in proof of debt. (Rule 25)
10. Notice of the day appointed to hear the Petition for reduction of Capital. (Rule 29).
11. Petition. (Rule 34).
12. Petition by Unpaid Creditor. (Rule 34).
13. Affidavit verifying Petition. (Rule 35).
14. Advertisement of Petition. (Rule 37).
15. Affidavit of Service of Petition on Members, Officer, or Servant of the Company. (Rule 39).
16. Affidavit of Service of Petition on Liquidator. (Rule 39).
17. Notice of Intention to appear on Petition. (Rule 41).
18. Notice of Order to be given to Registrar of Companies. (Rule 45).
19. Order for winding-up by the Court. (Rule 46).
20. Order for winding-up, subject to Supervision. (Rule 46).
21. Advertisement of Order to wind-up. (Rule 48).
22. Order for appointment of a Provisional Liquidator. (Rule 52).
23. Advertisement as to appointment of Official Liquidator. (Rule 56).

24. Form for nomination of Official Liquidator. (Rule 57).
25. Order appointing an Official Liquidator. (Rule 60).
26 Advertisement of appointment of Official Liquidator. (Rule 62).
27 Security Bond by Official Liquidator and a Guarantee Society. (Rule 71).
28. Security Bond by Official Liquidator and Surety other than Guarantee Society. (Rule 71).
29. Affidavit by Sureties. (Rule 71).
30. Certificate that Official Liquidator has given Security. (Rule 72).
31. Authority for Account with Bank other than the Imperial Bank of India. (Rule 76).
32. Request to invest cash in Government Securities. (Rule 82).
33. Liquidator's Statement of Account. (Rules 86 and 179).
34. Affidavit verifying Liquidator's Account. (Rules 86 and 179).
35. Statement of Assets. (Rule 92).
36. Advertisement for Creditors. (Rule 95).
37. Notice to Creditors to prove their debts before the Official Liquidator. (Rule 97).
38. Affidavit of Creditors in proof of debt. (Rule 98).
39. Affidavit of Official Liquidator as to debts and claims. (Rule 101).
40. Notice to Creditors to prove their debts before the Judge. (Rule 101).
41. Certificate as to settlement of list of debts and claims. (Rule 104).
42. Notice of preliminary settlement of the List of Contributories. (Rule 111).
43. Preliminary List of Contributories made out by the Official Liquidator. (Rule 112).
44. Notice to Contributories of settlement of List of Contributories by the Judge. (Rule 113).
45. Endorsement by Judge on settlement of List of Contributories. (Rule 114).
46. Petition for leave to make a Call. (Rule 117)
47. Advertisement of intended Call. (Rule 117).
48. Order giving leave to make a Call. (Rule 118).
49. Notice to be served with the Order sanction a Call. (Rule 118).
50. Summons to enforce Call. (Rule 120).
51. Affidavit in support of Application for Order for payment of Call. (Rule 120).
52. Order for payment of Call due from a Contributory. (Rule 120).
53. Affidavit of service of Order for payment of Call. (Rule 120).
54. Notice of Meeting (General Form). (Rule 128).
55. Affidavit of Postage of Notices of Meeting. (Rule 129).
56. Nomination of Chairman of a Meeting. (Rule 132).
57. Report of Result of Meeting of Creditors or Contributories. (Rule 143).
58. Form of Proxy. (Rule 145).
59. Advertisement as to declaration of a dividend. (Rule 155).
60. Notice of Dividend. (Rule 155).

61. Authority to Liquidator to Pay Dividends to another person. (Rule 157).
62. Schedule or List of Contributories to whom a Return is to be paid. (Rule 158).
63. Notice of Return to Contributories. (Rule 158).
64. Certificate of passing final account. (Rule 159).
65. Notice of appointment of Liquidator under Section 208 (1). (Rule 162).
66. Order for dissolution of the Company. (Rule 171).
67. Form of Order transferring winding-up proceedings from the Hight Court to a District Court or from one District Court to another. (Rule 182).

NO. 1. (RULE 14).

PETITION FOR REDUCTION OF CAPITAL.

(TITLE).

The humble Petition of (a)
Limited and Reduced.

Sheweth.—

1. Your Petitioner the abovenamed company (hereinafter called "the Company") was incorporated on the.....day of..... 19.....under the provisions of the Indian Companies Act as a company limited by shares.

2. The registered office of the company is situated at (b).

3. The objects of the company are as follows (c):—and other the objects set forth in the Memorandum of Association thereof.

4. The nominal capital of the Company is Rs... ....divided into.....of which.....have been issued and are fully paid-up or credited as fully paid-up.

5. Shortly after its incorporated the Company commenced to carry on and it has since been and still is carrying on business

6. (Set out the reasons for reduction stating all material facts and circumstances).

7. Under the provisions of Section 55 of the Indian Companies Act, 1913, and in pursuance of the powers in that behalf contained in the said Articles of Association the Company by a Special Resolution of its shareholders duly passed and confirmed at Extraordinary General Meetings duly convened and held on the.....day of 19 , and the.....day of.....19 , respectively, resolved:—

(Set out the Special Resolution for reduction of capital).

8. (d) The reduction of capital does not involve either the diminution of liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital and in consequence no creditor is entitled to object to the reduction under the provisions of Section 58 of the said Act.

9. (If the Petition asks that the use of the words "and reduced" be dispensed with, here state reasons).

(a) Insert full name of Company.
(b) State full address of the registered office.
(c) State principal objects according to Memorandum of Association.
(d) Omit if creditors are entitled to object to the reduction,

10. The form of minute proposed to be registered under the provisions of Section 61 of the said Act is as follows:—

(Set out proposed Minute of Reduction).

Your Petitioners therefore humbly pray (e):—

(1) That the reduction of capital to be effected by the Special Resolution out in paragraph 7 hereof be confirmed and that the minute set forth in paragraph 10 hereof be approved by the Court.

(2) That the addition of the words "and Reduced" to the Company's name be dispensed with.

(3) That the obtaining of the certificate provided for by Rule 27 of the rules of this Honourable Court may be dispensed with and that in accordance with Rule 16 of the said rules a day may be fixed for the hearing of this Petition and directions given as to the advertisements to be published.

(4) That such other order may be made in the premises as to the Court shall seem fit.

Petitioner's Attorneys.

I,..... . ..of... . make oath (or. solemnly affirm) and say as follows:—

1. That I am a (Director) of the Petitioner Company and as such I am fully acquainted with the affairs of the said company.

2. That the facts stated in the foregoing Petition are true to my knowledge.

Sworn (or. solemnly affirmed), etc

NO. 2. (RULE 16).

ADVERTISEMENT OF PRESENTATION OF PETITION

(TITLE).

Notice is hereby given that a Petition has been presented to the abovenamed Court for an order confirming the reduction of the share capital of the abovenamed Company from Rs.....to Rs..... resolved on by the special resolution passed and confirmed at extraordinary general meetings of the said Company, held respectively on the.....day of..... . 19... , and the. .....day of..... 19....

This said Petition is directed to be heard by the said Court at the Court-House, Calcutta, on.....day, the.....day of.....19 .

Attorney(s) for the Company.

NO. 3. (RULE 17).

ORDER WHERE CREDITORS ARE ENTITLED TO OBJECT.

(TITLE).

Upon the application by summons, dated.....19.....of ....., Limited, and Reduced, and upon hearing.....for the company and upon reading the petition presented to this Court on the.....day of.....19 , and the affidavit in verification thereof, it is ordered that an enquiry is made as to what are the debts, claims, and liabilities of or affecting the said company as on the.....day of.....19 , and it is further ordered that a list of creditors of the said Company be made out as at the said.....

(e) Omit or alter paragraphs (2) and (3) according to circumstances.

day of.....19 , and that such list shall (not) disclose the amounts due to the creditors respectively and that such list be filed by the said Company in this Court on or before the.....day of..... .....19 ; and that a copy of such list shall be kept at the registered office of the said company and at the office of its attorney and that notice of the said application shall be sent to each creditor on or before the.....day of.....19 : and that such notice in the cases of those creditors whose addresses are not within British India shall be given by (registered post or advertisement) and that such notices in the cases of those creditors whose addresses are not known to the said Company shall be given by advertisements to be published in (a)..... : and that any creditor whose name does not appear in such list or who claims to be a creditor for a larger amount than that stated in the said list shall give notice thereof in manner prescribed (b) and send his name and address and particulars of his debt or claim and the name and address of his attorney if any, to the attorney of the said Company within (14) (c) days from the date of the said notice; and that notice of the filing of the said list shall be advertised by the said Company (d): and that the said Company shall on or before the.....day of.....19.....file an affidavit verifying such list of creditors if any, as may have given such notice (or made such claim as aforesaid) distinguishing which if any, of such claims are wholly or as to any and what part thereof admitted by the said Company and which if any of such claims are wholly or as to any and what part thereof disputed by the said Companv.

NO. 4. (RULE 21).

AFFIDAVIT IN VERIFICATION OF LIST OF CREDITORS.

(TITLE).

I,.....of..... ... make oath (or, solemnly affirm) and say as follows:—

1. I am a (Director) of the Company abovenamed, and duly authorised to make this affidavit.

2. The Schedule hereto annexed is a list containing the names of the crditors of and persons having claims upon the said Company on the (e).....day of.....19...., together with their respective addresses, and stating the nature and amount of the debts or claims due to or had by them respectively, and such list is, to the best of my knowledge, information, and belief, a complete, true and accurate list of such creditors and persons and, in the cases of debts payable on a contingency or not ascertained, and of claims admissible to proof in a winding-up of the said Companv, the values thereof, as stated in such list, are, in my belief, just estimates of the values such debts and claims respectively.

3. To the best of my knowledge, information and belief there was not, at the date aforesaid, any debt, claim or liability which,

---

(a) Specify publications.

(b) See Form 5 and Rule 21.

(c) Or as the Judge may allow: See Rule 22.

(d) Specify publications and any special directions given in regard thereto.

(e) Insert date fixed under Rule 17 with reference to which the list to be made out.

if such date were the commencement of the winding-up of the said Company, would be admissible in proof against the said Company other than and except the debts and claims set forth in the said list. I make this statement upon facts within my knowledge as such (Director) of the said Company, and upon information derived by me from my investigation of the affairs and the books, documents, and papers of the said Company.

Sworn (or, solemnly affirmed).

SCHEDULE.

(1) Ascertained debts and liquidated claims.

Names, Addresses and Descriptions of the Creditors or Claimants. 1.	Nature of Debt or Claim. 2.	Amount of Debt or Claim. 3.

(2) (a) Debts payable on a contingency, or not ascertained.

(b) Claims not liquidated, but admissible to proof in a winding-up of the Company.

Names, Addresses and Descriptions of the Creditors or Claimants. 1.	Nature of Debt or Claim. 2.	Estimated Value of Debt or Claim. 3.

(Signature of Deponent).

NO. 5. (RULE 21).

NOTICE TO CREDITORS.

(TITLE).

Notice is hereby given that a Petition has been presented to the abovenamed Court praying for an order confirming the reduction of the share capital of the abovenamed Company from Rs.....to Rs..... resolved on by the special resolution passed and confirmed at extraordinary general meetings of the said Company, held respectively on the.....day of.....19 , and the.....day of..... 19 .

Take notice that your name has been entered in the list of creditors of the said Company as a creditor (or, as claiming to be a creditor) of the said Company for the sum (or, for the estimated sum) of Rs.....in respect of (here state nature of debt or claim as in list of creditors).

If you claim to be a creditor for a larger amount than the said sum, you must within (a) 14) days from the date of this notice send to the undersigned particulars of your debt or claim, together with your name and address, as also the name and address of your Attorney if any.

Attorney(s) for the Company.

Dated.....19 .

No. 6. (RULE 23).

ADVERTISEMENT OF LIST OF CREDITORS

(TITLE).

Notice is hereby given that a list of the creditors of the abovenamed Company has been filed in Court. Any person may, upon payment of the sum of Re. 1, inspect a copy of such list during the usual hours of business, either at the registered office of the abovenamed Company, at No..... ...or at the office of the undersigned.

Attorney(s) for the Company abovenamed.

Dated.....19.....

No. 7. (RULE 24).

AFFIDAVIT IN VERIFICATION OF LIST OF CREDITORS.

(TITLE).

We,.....of.....and.....of ..... make oath (or, solemnly affirm) and say as follows:—

1. I, the said.....make oath (or, solemnly affirm) and say as follows:—

I am the Attorney (or a partner, or an assistant, of Messrs. .....the Attorneys) of the Company abovenamed. The annexture hereto, marked "A," is a list containing the names and addresses of all persons who have sent in particulars of their debts or claims in pursuance of notice given in accordance with Rule 21, and the amounts of such debts or claims (or, no creditor

(a) Or as the Judge may allow: See Rule 22.

has sent in particulars of any debt or claim in pursuance of notice given in accordance with Rule 21).

2. And I, the said.....make oath (or, solemnly affirm) and say as follows:—

I am a (Director) of the Company abovenamed. Notice complying in all respects with the requirements of Rule 21 has been duly given to all the creditor whose names are entered in the list of creditors of the Company abovenamed filed in Court.

In the cases of notices sent by prepaid letter post, such notices were despatched by posting the same at the post office at..... on the.....day of.....19...., before the hour of .....

In the cases of notices directed by the Court to be given otherwise than by sending the same by post, such notices were given in the manner directed, namely.-

(Here state particulars (a).

In the said Annexture "A," I have truly stated the particulars required by Rule 24 in respect of each of the debts or claims therein mentioned.

Sworn (or, solemnly affirmed), etc.

No. 8. (RULE 25).

NOTICE TO CREDITOR TO PROVE DEBT.

(TITLE).

(Place and date).

Sir,

You are hereby required to prove (such part of) the debt claimed by you against the abovenamed Company (as is not admitted by the Company) by filing your affidavit and giving notice thereof to .....of.....the attorney of the Company on or before the.....day of.....19.....(b) and you are to attend in person or by your attorney at the Court-House, Calcutta, on the said date being the date appointetd for hearing and adjudicating upon the claim and to produce any documents or securities relating thereto.

In default of compliance with the above directions you will be precluded from objecting to the proposed reduction of the capital of the Company (or, in all proceedings relative to the proposed reduction of the capital of the Company be treated as a creditor or such amount only as is set against your name in the list of creditors).

Attorney(s) for the said Company.

No. 9. (RULE 25).

AFFIDAVIT OF CREDITOR IN PROOF OF DEBT.

(TITLE).

I,.....of.....make oath (or, solemnly affirm) and say as follows:—

1. (If not made by the creditor personally the deponent must-

(a) If by advertisement state names of publications and dates of publication.

(b) Insert the day appointed for adjudication.

state his authority for making the affidavit and his means of knowledge).

2. The abovenamed Company is justly and truly indebted to me (or, the said.....) in the sum of Rs.....for, etc., (describe shortly the nature of the debt and exhibit any security for it and in case of a trade debt exhibit vouchers).

3. I have not nor has nor have any person or persons by my order or to my knowledge of belief for my use received the said sum of Rs.....or any part thereof or any security or satisfaction for the same or any part thereof (except the said security hereinbefore referred to (a)).

Sworn (or. solemnly affirmed), etc.

No. 10. (RULE 29).

NOTICE OF THE DAY APPOINT TO HEAR THE PETITION FOR REDUCTION.

(TITLE).

Notice is hereby given that a Petition presented to the said Court on the.....day of.....19...., for an order confirming the reduction of the Capital of the Company from Rs. .....to Rs.....is directed to be heard by the said Court on the day of. .....19... .

Attorney(s) for the Company.

No. 11. (RULE 34)

PETITION.

(TITLE)

The humble petition of (b)

Sheweth:—

1. The ..... Limited (hereinafter called the Company), is a Company duly incorporated under the Indian Companies Act.

2. The registered office of the Company is at (c).

3. The nominal capital of the Company is Rs..... divided into.....shares of Rs.....each. The amount of the capital paid-up or credited as paid-up is Rs.....

4. The objects of the Company are as follows (d):—and other the objects set forth in the memorandum of association thereof.

5. (Here set out in numbered paragraphs the facts on which the petitioner relies and in the case of an application for a supervision order the date of the winding-up resolution and the appointment of Liquidator and conclude as follows):—

(a) This paragraph to be adapted in the case of a person other than the creditor being the deponent.

(b) Insert full name, address, description, etc., of petitioner.

(c) State the full address of the registered office.

(d) State principal object according to Memorandum of Association.

Your petition therefore humbly prays as follows:—

(1) That.....Limited may be wound up by the Court (e) under the provisions of the Indian Companies Act, 1913.

(2) Or that such other order may be made in the premises as shall be just.

Note.—(f) It is intended to serve this petition on.

No. 12. (RULE 34).

PETITION BY UNPAID CREDITOR.

(TITLE).

Paragraphs 1, 2, 3 and 4 as in No. 11.

5. The Company is indebted to your petitoner in the sum of Rs..... for (g).

6. On the.....day of.....19...., your petitioner served (or, caused to be served by A. B., of,.....) on the Company by leaving the same at its registered office a demand under his hand in the words and figures following:—

(Set out demand in full).

7. The Company has neglected to pay the said sum of Rs..... or to secure or compound for it to the reasonable satisfaction of your petitioner.

8. The company is (insolvent and) unable to pay its debts.

9. In the circumstances it is just and equitable that the Company should be wound up.

Your petitioner therefore, etc. (as in No. 11)

No. 13. (RULE 35).

AFFIDAVIT VERIFYING PETITION

(TITLE).

I, A. B., of..... .. ..etc., make oath (or, solemnly affirm) and say, that the statement in paragraphs Nos.....in the petition now produced and shown to me, and marked with the letter A, are true to my knowledge, and statements in paragraphs Nos..... ....in the said petition are based on information received (state source of information) which I believe to be true. The statements contained in paragraphs 1, 2, 3 and 4 of the said petition are matters of record.

Sworn (or, solemnly affirmed), etc.

No. 14. (RULE 37).

ADVERTISEMENT OF PETITION

(TITLE).

Notice is hereby given that a petition for the winding-up of the abovenamed Company by the (or subject to the supervision of the) High Court of Judicature at Fort Willian in Bengal (or District Court of.....) was on the.....day of.....19....,

---

(e) Or under the supervision of the Court.

(f) This note will be unnecessary if the Company is petitioner.

(g) State consideration for the debt, with particulars so as to establish that the debt is due.

presented to the said Court by the said Company (or C. D., of..... a creditor or contributory of the said Company as the case may be); and that the said petition is directed to be heard before the Court on the.....day of.....19....; and any creditor or contributory of the said Company desirous of opposing an order for the winding-up of the said Company under the above Act should appear at the time of hearing by himself or his Attorney or Advocate for that purpose; and a copy of the petition will be furnished to any creditor or contributory of the said Company requiring the same, by the undersigned, on payment of the prescribed charge for the same.

A. B.,

(Attorneys for the Petitioners) ... .
(Address)..... .....
Dated.....19. . .

Note.—Rule 41 provides that any person who intends to appear on the hearing of the said petition must serve on or send by post to the abovenamed, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person, or firm, or his or their attorney (if any), and must be served, or if posted, must be sent by post in sufficient time to reach the abovenamed not later than 2 clear days before the.....day of..... 19.....

No. 15. (RULE 39).

AFFIDAVIT OF SERVICE OF PETITION ON MEMBER, OFFICER, OR SERVANT OF THE COMPANY.

(TITLE).

In the matter of a petition dated... . .....I, of..... make oath (or, solemnly affirm) and say:—

I, (a) That I did on.....day, the.....day of .....19...., serve the abovenamed Company with the abovementioned petition by delivering to and leaving with (name and description) a member (or officer) (or servant) of the said Company a copy of the abovementioned petition, at (office or place of business as aforesaid).

or

1. (a) That I did on.....day, the.....day of..... 19...., having failed to find any member, officer, or servant of the abovenamed Company at (here state registered office or place of business), leave there a copy of the abovementioned petition, (add with whom such copy was left, or where, *e.g.*, *affixed* to do of offices, or placed in letter box, or otherwise).

(a) In the case of service of petition on a Company by leaving it with a member, officer, or servant at the registered office, or if no registered office, at the principal or last known principal place of business of the Company.

(a) In the case of no member, officer, or servants of the Company being found at the registered office or place of business.

2. (b) That I did on.....day, the.....day of .....19...., serve (name or names and description) with a copy of the abovementioned petition, by delivering the same personally to the said.....at (place).

Sworn (or, solemnly affirmed), etc.

No. 16. (RULE 39).

AFFIDAVIT OF SERVICE OF PETITION ON LIQUIDATOR.

(TITLE).

In the matter of a petition, dated.....19...., for winding-up the above Company (by) or (under the supervision of) the Court (as the case may be).

I.....of.....make oath and say:—

That I did, on.....day, the.....day of..... 19...., serve (name and description) the liquidator of the abovenamed Company, with a copy of the abovementioned petition, by delivery the same personally to the said. ... .at (place).

Sworn (or, solemnly affirmed), etc.

No. 17. (RULE 41).

NOTICE OF INTENTION TO APPEAR ON PETITION.

(TITLE).

Take notice that A. B., of.....(c) a creditor for Rs.....of (or contributory holding (d).....shares in) the above Company intends to appear on the hearing of the petition advertised to be heard on the.....day of..... 19...., and to support (or oppose) such petition.

Signed (e) (Name of person or firm).....

(Address)..... ....

Date.....

To

(Attorneys for Petitioner).

No. 18. ((RULE 45).

NOTICE OF ORDER TO BE GIVEN TO REGISTRAR OF COMPANIES.

(TITLE).

To

The Registrar of Companies, Bengal.

Take Notice that by an order of the High Court of Judicature at Fort William in Bengal (or District Court of.....) made on the.....day of.....19....., ...Limited was ordered to be wound up by the Court (or under the supervision of the Court).

Signed (Petitioner or his Attorney).....

(Address)..... .....

(Date).....

To

(Attorneys for Petitioner).

(b) In the case of directions having been given by the Court as to the member or members of the Company or other person to be served.

No. 19. (RULE 46).

ORDER FOR WINDING-UP BY THE COURT.

(TITLE).

Upon the petition of (the abovenamed Company, or A. B., of, etc., a creditor or contributory of the abovenamed Company) filed on the.....day of.....19...., and presented to the said Court, and upon hearing.....for the petitioner and..... for.....and upon reading the said petition (an affidavit of the said petitioner filed, etc., verifying the said petition, an affidavit of S. M., filed on the.....day of.....19...., as to advertisement of the said petition) this Court doth order that the said Company be wound up by this Court under the provisions of the Indian Companies Act, 1913 (a) and that.....be appointed Provisional Liquidator of the affairs of the Company.

No. 20. (RULE 46).

ORDER FOR WINDING-UP, SUBJECT TO SUPERVISION

(TITLE)

Upon the petition, etc. (as in Form No. 19), this Court doth order that the voluntary winding-up of the said..... Limited, be continued, but subject to the supervision of this Court; and any of the proceedings under the said voluntary winding-up may be adopted as the Court shall think fit; and it is ordered that the Liquidator appointed in the voluntary winding-up of the said Company, do on the.....day of .....next, and thenceforth every month file with the Registrar a report in writing as to the position of, and the progress made with, the winding-up of the Company, and with the realisation of the assets thereof, and as to any other matters connected with the winding-up as the Court may from time to time direct. And the creditors, contributories, and liquidator of the said Company, and all other persons interested, are to be at liberty to apply generally as there may be occasion.

No. 21. (RULE 48).

ADVERTISEMENT OF ORDER TO WIND-UP

(TITLE).

By an order made by the High Court of Judicature at Fort William in Bengal (or District Court of.....), in the above matter dated the.....day of.....19...., on the petition of the abovenamed Company (or A. B., of.....): it was ordered that (etc., as in Form 19 or 20).

C. and D.
(Attorney(s) for the said Petitioner)

Dated the.....day of.....19.....

(c) State full name, or if a firm, the name of the firm and address.

(d) State number and class of shares held.

(e) To be signed by the person or his Attorney.

(a) Omit if no Provisional Liquidator is appointed at the time of making the winding-up order.

No. 22. (RULE 52).

ORDER FOR APPOINTMENT OF A PROVISIONAL LIQUIDATOR.

(TITLE).

Upon the application of.....and upon reading the Court doth hereby appoint.....of.....to be the Provisional Liquidator of the abovenamed Company and the Court doth hereby limit and restrict the powers of the said..... as such Liquidator to the following acts (describe the acts which the Liquidator is authorised to do and the property of which he is to take possession). And the Court doth hereby fix the remuneration of the said.....as such Liquidator at.....(set out particulars of remuneration) (b) it is ordered that the..... do on or before the.....day of.....next furnish security in the sum of Rs... ....to the satisfaction of the Registrar of the said Court

No. 23. (RULE 56).

ADVERTISEMENT AS TO APPOINTMENT OF OFFICIAL LIQUIDATOR.

(TITLE).

Notice is hereby given that... ....the.....day of ....19...., at.....o'clock in the.....noon at the Court-House at Calcutta (or at the District Court-House at .....) has been fixed as the time and place for the appointment of an Official Liquidator of the abovenamed Company.

(Attorneys for the Petitioner).

(Address).

Dated.....19....

No. 24. (RULE 57).

FORM FOR NOMINATION OF OFFICIAL LIQUIDATOR.

(TITLE).

We, the undersigned (creditors or contributories) of the abovenamed Company for the (debts or number of shares) placed opposite our respective names hereby nominate.....of ....etc., to be the Official Liquidator of the said Company who is prepared and by his signature hereto undertakes to furnish security in the sum of Rs.....or such less sum as may be ordered by the Court.

Name. 1.	Address. 2.	Creditor or Contributory. 3.	Amounts of Debts. 4.	Number of Shares held. 5.

Signed (Nominator).....

Signed (Nominee).....

Dated.....19.....

(b) If security ordered to be furnished add.

No. 25. (RULE 60).

ORDER APPOINTING AN OFFICIAL LIQUIDATOR.

(TITLE). ..

Upon the application of.....and upon reading..... and upon hearing.....the Court doth hereby appoint .....of.....(a) (and.....of with joint and several powers) to be Official Liquidator(s) of the above-named Company. And it is ordered that the said.....do on or before the.....day of.....next furnish security in the sum of Rs.....to the satisfaction of the Registrar of the said Court (or, without security). And it is ordered that the said .....on the.....day of.....and the .....day of.....19....and on the same days in each succeeding year file his (or their) accounts of receipts and payments in the office of the Registrar (or in the District Court at .....). And it is ordered that all moneys to be received by the said.....be paid by him (or them) into the Imperial Bank of India at its Head office (or.....Branch) or into the District Court at.....) to the credit of the account of the Official Liquidator(s) of the said Company within 7 days after the receipt thereof. And it is ordered (b) (that the said..... be at liberty to open operate upon and maintain in his own name as such Official Liquidator as aforesaid a special banking account with the.....Bank at its Head Office (or..... branch) into which all moneys to be received by the said shall be paid by him (or them) to the credit of such account within 7 days after the receipt thereof and) that out of the said account all payments shall be made by cheque signed by the said..... as such Official Liquidator as aforesaid and countersigned by the Registrar (c).

No. 26. (RULE 62).

ADVERTISEMENT OF APPOINTMENT OF OFFICIAL LIQUIDATOR.

(TITLE). ..

Notice is hereby given that.....of.....by an order, dated the.....day of.....19....., has been appointed Official Liquidator of the abovementioned Company (d) with joint and several powers.

(Signed) (Attorneys for the Petitioner).

Dated this.....day of.....19.....

No. 27. (RULE 71).

SECURITY BOND BY OFFICIAL LIQUIDATOR AND A GUARANTEE SOCIETY.

Know all men by these presents that I|we (Name of the Official Liquidator or Liquidators his or their description and address) and

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(a) If more than one person be appointed and the Court so directs.

(b) Where an Official Liquidator is authorised to open a special banking account with a banker other than the Imperial Bank of India, omit the foregoing and substitute as follows:

(c) As to dispensing with countersignature: See Rule 77.

(d) If more than one person appointed add.

we (Name of the Guarantee Society) carrying on business in Calcutta at (place of business) through (Name of the Guarantee Society's Agent) hereinafter called the Society are jointly and severally held and firmly bound into (Name of the Registrar, Original Side) Esquire, Registrar of the High Court of Judicature at Fort William in Bengal in its Ordinary Original Civil Jurisdiction (or name of the Judge) Esquire, Judge of the District Court of.....his successor or successors in office and assigns in the sum of Rs.....of lawful money of British India to be paid to the said (Name of the Registrar, Original Side) Esquire (or name of the Judge) Esquire, his successor or successors in office or assigns as the case may be, for which payment well and truly to be made. I|we the said (Name of the Official Liquidator or Liquidators) for myself (ourselves) my (our) heirs, executors administrators and representatives and every of them and we, the Society, for ourselves and our successors do hereby bind and oblige ourselves for the whole firmly by these presents, and we the Society, do hereby submit ourselves to the Jurisdiction of the said High Court (or District Court): and appoint (place of Business of the Agents) aforesaid as the address for service of all writs proceedings or notices that may be issued taken or given with reference to the conditions of this Bond or with respect to the liability of the said (Name of the Official Liquidator or Liquidators) thereunder. Signed, Sealed and delivered by the said (Name of the Official Liquidator or Liquidators) and sealed with the seal of the said Society. Dated this.....day of.....one thousand nine hundred and.....

Whereas by an order, dated the.....day of..... one thousand nine hundred and.....made by the said High Court (or District Court) in the matter of the Indian Companies Act VII of 1913 and in the matter of (Name of the Company) the said (Name of the Official Liquidator or Liquidators) was (were appointed the Official Liquidator(s) of the said Company and he (they) was (were) thereby directed to give security for Rs..... to be approved of by the said Registrar (or Judge of the District Court). And whereas the said (Name of the Official Liquidator or Liquidators) has (have) proposed and the said Registrar (or Judge of the District Court) has under the Rules of the said High Court accepted the said Society as surety for the said (Name of the Official Liquidator or Liquidators).

Now the condition of the above written Bond or Obligation is such that if the said (Name of the Official Liquidator or Liquidators) or his (their) executors or administrators or some or one of them do and shall duly account for all and every the sum or sums of money or other property which the said (Name of the Official—Liquidator or Liquidators) has (have) received and shall receive or has (have) or shall become or be held liable to pay or account for as such Official Liquidator(s) as aforesaid and do and shall pay or deliver the same as the Court or a Judge hath directed or shall hereafter direct, and shall give immediate notice to the Court if the said Society shall become insolvent, or go into Liquidation and do and shall, from time to time and at all times hereafter so long as he (they) shall continue as such Official Liquidator(s) duly and faithfully in all respects discharge the duties and obligation which shall devolve upon him (them) as Official Liquidator(s) as aforesaid and file and pass his (their) account(s) before a Judge at the said

Court at the times and in the manner required by the Rules of the said Court or as the Court or a Judge may direct and obey and carry out all other the directions contained in the said order and all other orders which may hereafter be made by the said High Court (or District Court) in the premises: then the above written Bond or Obligation shall be void, otherwise the same shall remain in full force and virtue.

Signed, Sealed and Delivered by the said (Name of the.. .. .. Official Liquidator or Liquidators) at Calcutta in the presence of

The Seal of the Society was hereunto affixed in the presence of

Signed for and on behalf of the Society.

No. 28 (Rule 71).

SECURITY BOND BY OFFICIAL LIQUIDATORS AND SURETY OTHER THAN GUARANTEE SOCIETY.

Know all men by these presents that I (we) (Name of the Official Liquidator(s) his or their description and address) and I (we) Name(s) of the Surety or Sureties his or their description(s) and address(es) are jointly and severally held and firmly bound unto (Name of the Registrar, Original Side) Esquires, Registrar of the High Court of Judicature at Fort William in Bengal in its Ordinary *Original Civil Jurisdiction (or name of the Judge) Esquires, Judge* of the District Court of.... .. ..his successor or successors in office and assigns in the sum of Rs..... ...of lawful money of British India to be paid to the said (Name of the Registrar, Original Side) Esquire, (or name of the Judge), Esquire, his successor or successors in office or assigns as the case may be, for which payment well and truly to be made, we the said (Name of the Official Liquidator(s) and Surety or Sureties) for ourselves, our heirs, executors, administrators and representatives and every of them do hereby bind and oblige ourselves for the whole firmly by these presents. Signed, Sealed and Delivered by the said (Name of the Official Liquidator(s) and Surety or Sureties).

Dated this.....day of..... ...one thousand nine hundred and .....Whereas by an order, dated the.....day of..... one thousand nine hundred and ....made by the said High Court (or District Court of.....) in the matter of the Indian Company's Act VII of 1913 and in the matter of (Name of the Company) the said (Name of the Official Liquidator(s) was (were) appointed the Official Liquidator(s) of the said Company and he (they) was (were) thereby directed to give security for Rs..... to be approved by the said Registrar (or the Judge of the said Court). And Whereas the said (Name of the Official Liquidator(s) has (have) proposed and the said Registrar has accepted the said (Name of the Surety or Sureties) as Surety (Sureties) for the said (Name of the Official Liquidator(s).

Now the condition of the above written Bond or Obligation is such that if the said (Name of the Official Liquidator(s) or his (their) executors or administrators or some or one of them do and shall duly account for all and every the sum and sums of money or other property which the said (Name of the Official Liquidator(s) has (have) received and shall receive or has (have) or shall become or be liable to pay or account for as such Official Liquidator(s) aforesaid and do and shall pay or deliver the same as the Court

or a Judge hath directed or shall hereafter direct and do and shall from time to time and at all times hereafter direct and do and shall continue as such Official Liquidator(s) duly and faithfully in all respects discharge the duties and obligations which shall devolve upon him (them) as Official Liquidator(s) as aforesaid and file and pass his (their) accounts before a Judge of the said Court at the times and in the manner required by the Rules of the said Court or as the Court or a Judge may direct and obey and carry but all other the directions contained in the said order and all other orders which may hereafter be made, the above written Bond or Obligation shall be void, otherwise the same shall remain in full force and virtue.

Signed, Sealed and Delivered at Calcutta in the presence of

No. 29 (Rule 71).

AFFIDAVIT BY SURETIES

(TITLE).

We,. ... .of. ... ., etc., and..... of....., etc., severally make oath (or, solemnly affirm) and say as follows:—

1. I, the said.....for myself say that I am worth (a) the sum of Rs.....of lawful money of British India over and above what is sufficient for the payment of all my just debts and liabilities.

2. And I, the said . .. .for myself say that I am worth the sum of Rs . . . of etc., (as above).

Sworn, etc

No. 30 (Rule 72).

CERTIFICATE THAT OFFICIAL LIQUIDATOR HAS GIVEN SECURITY.

(TITLE)

This is to certify that... ....of..... who was on the.....day of..... ... 19...., appointed Official Liquidator of the abovenamed Company, has duly given security as ordered by the Court.

J. S.,
(Signed) Registrar

Dated this. ... .day of..... ..... 19... .

No. 31 (Rule 76).

AUTHORITY FOR ACCOUNT WITH BANK OTHER THAN THE IMPERIAL BANK OF INDIA

(TITLE).

Form to be employed when the authority is not embodied in the order appointing the Liquidator (Form 25).

(a) Particulars of property to be specified if required by the Registrar.

A. B., of.....the Official Liquidator is hereby authorised to make payments in the above matter into and out of a special banking account to be opened in his name at the..... branch of the.....Bank and all payments shall be made by cheques signed by the said Official Liquidator and countersigned by the Registrar (a).

By order,
Registrar,
Judge, District Court.

Dated this.....day of..... ..19....

To

THE MANAGER OR AGENT,

BANK,

and the Official Liquidator of the abovenamed Company.

No. 32 (Rule 82).

REQUEST TO INVEST CASH IN GOVERNMENT SECURITIES.

(TITLE)

To

(Name of Bank).

SIR,

It appearing that the sum of Rs.... .....is standing to the credit of the account of the Official Liquidator of the above-named Company, you are hereby requested to invest the sum of Rs.....being part thereof, in the purchase of (here insert the description of the Government Security intended to be purchased) in the name of.....of ....., the Official Liquidator of the said Company and to retain such Government Securities on behalf of the Official Liquidator. The said securities are not to be sold, transferred or otherwise dealt with, except upon a direction for that purpose signed by the Official Liquidator of the said Company and countersigned by the Registrar (or by the Judge of the District Court of..... ..or under an order to be made by the said Judge).

I am, Sir,
Your most obedient servant,
Official Liquidator.

Dated this.....day of.....19....

No. 33 (Rules 86 and 179).

LIQUIDATOR'S STATEMENT OF ACCOUNT (b).

(TITLE).

1. (Name of Company).
2. (Nature of proceedings whether wound up by the Court, or under the supervision of the Court, or voluntary).

(a) As to dispensing with countersignatures: See Rule 78.
(b) When filed under Rule 179 this statement must be filed in duplicate.

3. (Date of commencement of winding-up).
4. (Name and address of Liquidator).

REALISATION.

Date. 1.	Of whom Received. 2.	Nature of Assets Realised. 3.	Amount 4.
		(c) From Trading Account.	Rs. as. p.

DISBURSEMENTS.

Date. 5.	To whom paid. 6.	Nature of Disbursements. 7.	Amount. 8.
		(c) From Trading Account.	Rs. as. p.

ANALYSIS OF BALANCE.

	Rs. as. p.
Total realisations	
Total disbursements	
Balance	
The balance is made up as follows:—	
1. Cash in the hands of liquidator	
2. Total payments into Bank, including balance at date of commencement of winding-up (as per Bank Book)	
Total withdrawal from Bank	
Balance at Bank	
3. Amounts invested by liquidator ...	
Less amount realised from same	
Balance	
Total balance as shown above.	

1. The amount of the assets and liabilities at the date of the commencement of the winding-up according to the Liquidator's estimate.
2. The total amount of the capital paid-up at the date of commencement of the winding-up.
3. The general description and estimated value of outstanding assets (if any).
4. The cause which delayed the termination of the winding-up.
5. The period within which the winding-up may probably be completed.

Assets (after deducting amounts charged to secured creditors), Debentureholders.

.....Rs.....

Liabilities—

Secured creditors.

Debentureholders.

Unsecured Creditors .....

Paid up in Cash.

Issued as paid-up otherwise than for cash.

Note.—Full details of stock purchased for investment and of realisations thereof should be given in a separate statement.

Note.—The liquidator should also state.

Note—If no receipts or payments the portion of the form under the headings "Realisations" "Disbursements" should be omitted.

NO. 34. (RULES 86 and 179)

AFFIDAVIT VERIFYING LIQUIDATOR'S ACCOUNT.

(TITLE).

I,.....of.....the (Official) Liquidator of the abovenamed Company, make oath and say:—

That (the account hereunto annexed and marked "A" contains a full and true account of my receipts and payments in the winding

(c) If Trading Account authorised total to be inserted and detailed receipts and payments account to be attached.

up of the abovenamed Company), from the.....day of..... 19 .....to the.....day of.....19 , inclusive (and that) I have not nor has any other person by my order, or, for my use during such period, received or paid any moneys on account of the said Company (other than and except the items mentioned and specified in the said account).

I further say that the particulars in the annexed account marked "A," with respect to the proceedings in and position of the liquidation, are true to the best of my knowledge and belief.

Sworn (or, solemnly affirmed), etc.

If no receipts or payments the words in brackets should be omitted.

NO. 35. (RULE 92).

STATEMENT OF ASSETS.

(TITLE).

Statement of Assets on the.....day of.....19...., including assets over which a charge or lien exists, particulars of which are set out at the foot hereof.

Nature of Property. 1.	Balance as per Books. 2.	Estimated to produce. 3.
(1) Property—		
(a) Cash at Bankers		
(b) Cash in Hand		
(c) Stock-in-trade		
(d) Machinery		
(e) Trade fixtures, fittings, utensils, etc.		
(f) Investments in shares, etc. ..		
(g) Loans on mortgage		
(h) Other property, viz.		
(2) Books Debts:—		
Considered good		
Considered doubtful		
Considered bad		
(3) Bills of Exchange or other similar Securities on hand		
(4) Unpaid Calls		
(5) Uncalled capital		
(6) Here set out particulars of assets over which a charge or lien exists stating particulars of such charge or lien		

NO. 36. (RULE 95).

ADVERTISEMENT FOR CREDITORS.

(TITLE).

The creditors of the abovenamed Company are required on or before the.....day of.....19....to send their names and

addresses and the particulars of their debts, or claims and the names and addresses of their attorneys (if any) to.....of..... the Official Liquidator of the said Company, and, if so required by notice in writing from the Official Liquidator, shall, either in person or by their attorneys, prove their said debts or claims at such time as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

The.....day of.....19...., at.....o'clock in the .....noon at the said is appointed for the investigation of debts and claims.

Official Liquidator.

Dated this.....day of.....19.....

NO. 37. (RULE 97).

NOTICE TO CREDITORS TO PROVE THEIR DEBTS BEFORE THE OFFICIAL LIQUIDATOR.

(TITLE).

(Address and date).

Sir,

You are hereby required to prove the debt claims by you against the abovenamed Company, by filing your affidavit, and giving notice thereof to me on or before the.....day of.....next, and you are to attend at my office in person or by your attorney on the..... day of.....19...., at.....o'clock in the.....noon, being the time appointed for the investigation of the claim.

(Official Liquidator).

Dated this.....day of.....19.....

To,

(Name of creditor).
(Address).

NO. 38. (RULE 98).

AFFIDAVIT OF CREDITOR IN PROOF OF DEBT

(TITLE).

I,.....of.....make oath (or, solemnly affirm) and say as follows:—

.....19..... and still is justly and truly indebted to me (or the said.....) in the sum of Rs.....for....., etc. (Describe shortly the nature of the debt and exhibit any security held and in case of a trade debt exhibit vouchers).

2. The abovenamed Company was on the (a).....day of 19 , and still is justly and truly indebted to me (or the said.....) in the sum of Rs.....for....., etc. (Describe shortly the nature of the debt and exhibit any security held and in case of a trade debt exhibit vouchers).

3. (b) I have not nor has not have any person or persons by my order or to my knowledge or belief for my use, received the sum

---

(a) Date of the winding up order.

(b) This paragraph to be adapted in the case of a person other than the creditor being the deponent.

of Rs.....or any part thereof, or any security or satisfaction for the same or any part thereof (except the said (security) hereinbefore referred to).

Sworn (or, solemnly affirmed), etc.

NO. 39. (RULE 101).

AFFIDAVIT OF OFFICIAL LIQUIDATOR AS TO DEBTS AND CLAIMS.

(TITLE).

I,.....of.....the official Liquidator of the abovenamed Company make oath (or, solemnly affirm) and say as follows:—

1. I have, by the paper hereto annexed and marked with the letter A, set forth a list of all the debts and claims, the particulars of which have been sent to me by persons making claim upon or claiming to be creditors of the said Company, pursuant to the advertisement issued in that behalf, dated the.....day of.....19 , and the names and address of the persons by whom such claims are made.

2. I have investigated the said debts and claims and examined the same with the books and documents of the said Company in order to ascertain to the best of my ability, which of such debts and claims are justly due from the said Company; and I have, in the first part of the said list, set forth such of the said debts and claims or parts thereof, as in my opinion are justly due from the said Company, and proper to be allowed without further evidence and I have, in the sixth column of the said first part of the said list, set forth the amount proper to be allowed in respect of such debts, and claims; and I believe that such amounts, respectively, are justly due and proper to be allowed; and I have, in the seventh column of the said first part of the said list, stated my reasons for such belief.

3. I have, in the second part of the said list, set forth such of the said debts and claims as in my opinion ought to be proved by the respective creditors.

Sworn (or, solemnly affirmed), etc.

Exhibit A referred to in the affidavit of.....sworn (or, solemnly affirmed) before me this.....day of.....19....

(Signed).

LIST OF DEBTS AND CLAIMS OF WHICH THE PARTICULARS HAVE BEEN SENT TO THE OFFICIAL LIQUIDATOR.

First Part.

DEBTS AND CLAIMS WHICH OUGHT TO BE ALLOWED WITHOUT FURTHER EVIDENCE.

Serial Number. 1.	Name of Creditors. 2.	Address and Description. 3.	Particulars of Debt or Claim. 4.	Amount Claimed. 5.	Amount proper to be allowed. 6.	Reasons for belief that amounts are proper to be allowed. 7.
				Rs. as. p.	Rs. as. p.	

APPENDIX D—SECTION I

DEBTS AND CLAIMS WHICH OUGHT TO BE PROVED BY THE CREDITORS.

Second Part

Serial Number. 1.	Number of Creditors. 2.	Address and Description. 3.	Particulars of Debt or Claim. 4.	Amount Claimed. 5.
				Rs. as. p.

NO. 40. (RULE 101).

NOTICE TO CREDITORS TO PROVE THEIR DEBTS BEFORE THE JUDGE.

(TITLE).

You are hereby required to prove before the Judge the debt claimed by you against the abovenamed Company. You are accordingly required to attend in person or by your attorney or advocate at the Court-House on the.....day of.....19....at.....o'clock in the forenoon being the time appointed for hearing and adjudicating upon the claims.

Official Liquidator.

Dated this.....day of.....19....

To,

(Name of creditor).
(Address).

NO. 41. (RULE 104).

CERTIFICATE AS TO SETTLEMENT OF LIST OF DEBTS AND CLAIMS.

(TITLE).

The debts and claims which have been allowed are set forth in the first schedule hereto, and (with the interest thereon and costs mentioned in the schedule) are due to the persons therein named.

In the first part of the said schedule are set forth such of the said debts and claims as carry interest, and the interest thereon has been computed after the rate they respectively carry, down to date of the winding up.

In the second part of the said schedule are set for the such of the debts and claims as do not carry interest.

The claims set forth in the second schedule hereto have been disallowed.

THE FIRST SCHEDULE ABOVE REFERRED TO.

First Part.

DEBTS AND CLAIMS WHICH CARRY INTEREST.

Serial Number. 1.	Names of Creditors. 2.	Addresses and Description. 3.	Particulars of Debt. 4.	Total Amount 5.
			On bills of exchange dated, etc. ..... Principal .... Interest at per cent. per annum from the date of this certificate .. Cost of Proof ..	Rs. as. p.

Second Part.

DEBTS AND CLAIMS WHICH DO NOT CARRY INTEREST.

Serial Number. 1.	Name of Creditors. 2.	Addresses and Descriptions. 3.	Particulars of Debts. 4.	Interest in Principal. 5.	Total due. 6.
			Rs.....	Rs. as. p.	Rs. as. p.
			Goods Sold— Cost of Proof		

THE SECOND SCHEDULE ABOVE REFERRED TO.

Serial Number. 1.	Names of Creditors. 2.	Address and Descriptions. 3.	Particulars of Claims. 4.	Amount Claimed. 5.

Dated this.....day of.....19....

(Signature of the Judge (or District Judge).

NO. 42. (RULE 111).

NOTICE OF PRELIMINARY SETTLEMENT OF THE LIST OF CONTRIBUTORIES.

(TITLE).

(Address).
(Date).

Take notice that I have appointed the.....day of.....19 .....at.....o'clock in the forenoon at (the above address) for the preliminary settlement of the list of contributories of the above-named Company.

According to the books of the Company you will be included in such list for the number of shares stated below. If you object to such inclusion you should attend in person or by your attorney at the time and place stated above when your objections will be heard and considered.

Official Liquidator.

Number on List. 1.	Name. 2.	Address. 3.	Description. 4.	In what Character included. 5.	Number of Shares or extent of interest. 6.

NO. 43. (RULE 112).

PRELIMINARY LIST OF CONTRIBUTORIES MADE OUT BY THE OFFICIAL LIQUIDATOR.

(TITLE).

The following is a list of members of the Company liable to be placed on the list of contributories of the said Company, made out by me from the books and papers of the said Company, together with their respective addresses and the number of shares (or extent of interest) to be attributed to each, so far as I have been able to ascertain the same.

In the first part of the list, the persons who are contributories in their own right are distinguished.

In the second part of the said List, the persons who are contributories as being representatives of, or being liable for the debts of orders are distinguished.

First Part.

CONTRIBUTORIES IN THEIR OWN RIGHT.

Serial Number.	Name.	Address.	Description.	Number of Shares (or extent of interest).	Remarks.
1.	2.	3.	4.	5.	6.

Second Part.

CONTRIBUTORIES AS BEING REPRESENTATIVES OF, OR LIABLE FOR THE DEBTS OF OTHERS.

Serial Number.	Name.	Address.	Description.	In what Character included.	Number of Shares or extent of interest).	Remarks.
1.	2.	3.	4.	5.	6.	7.

Official Liquidator.

Dated this.....day of.....19....

NO. 44. (RULE 113).

NOTICE TO CONTRIBUTORIES OF SETTLEMENT OF LIST OF CONTRIBUTORIES BY THE JUDGE.

(TITLE).

(Address).
(Dated).

Notice is hereby given that.....the.....day of.....19...., at.....o'clock in the forenoon at the Court-House, Calcutta, (or at the District Court at.....), has been fixed for the settlement of the list of contributories of the abovenamed Company made out and filed in Court by the Official Liquidator and you are included in such list in the character and for the number of shares or extent of interest stated below; and if no sufficient cause is shown by you to the contrary at the time and place aforesaid, the list will be settled by the Judge, including you therein.

Unless the Judge shall otherwise direct no application for any variation of the list will be entertained after the day so appointed.

Official Liquidator.

Number on List. 1.	Name. 2.	Address. 3.	Description. 4.	In what Character included. 5.	Number of Shares or extent of interest. 6.

NO. 45. (RULE 114).

ENDORSEMENT BY JUDGE ON SETTLEMENT OF LIST OF CONTRIBUTORIES.

(TITLE).

List settled as filed (except that Nos.....are expunged from the list and Nos. stand over for determination and subsequent endorsement hereof).

Judge.

Dated this.....day of.....19....

NO. 46. (RULE 117).

PETITION FOR LEAVE TO MAKE A CALL.

(TITLE).

The humble petition of....., Official Liquidator of the above-named Company sheweth as follows:—

1. The abovenamed Company was by an order of this Court dated the.....day of.....19.... ordered to be wound up by the Court (or under the supervision of this Court).

2. By an order of this Court dated the.....day of.....19 .....I was appointed Official Liquidator.

3. On the.....day of.....19....the list of contributories of the said Company was settled by the Honourable Mr Justice .....(or.....Esquire, District Judge of.....).

4. The amount of the debts proved and admitted against the said Company and the estimated amount of the costs charges and expenses of the winding up aggregate the sum of Rs. .....or thereabouts.

5. Of the assets set forth in the statement of assets I have realised the sum of Rs.....of which I still have in hand the sum of Rs.....I estimate that the assets still remaining to be collected will realise approximately Rs..... There are no other assets belonging to the said Company except the amounts due from contributories

6. In the settled list of contributories of the said Company appear the names of.....persons in respect of. . .....shares.

7. For the purpose of satisfying the debts and liabilities of the Company and of paying the costs charges and expenses of the winding up I believe the sum of Rs.....will be required in addition to the amount I now have in hand and the amount still to be collected by realisation of the outstanding assets.

8. In order to provide the said sum of Rs.....it is necessary to make a call upon the several persons who have been settled on the list of contributories and to provide for the contingency of some of such contributories partly or wholly failing to pay the amount of such call I believe that for the purpose of realising the said amount required it is necessary that a call of Rs.....per share be made.

Your Petitioner therefore humbly prays as follows:—

(1) That leave be given to your Petitioner to make a call of Rs.....per share on all the contributories of the said Company (a) and to fix the date for the payment of such call.

(2) That the costs of and incidental to this petition and the order to be made thereunder and the costs of and incidental to making and enforcing such call be paid out of the call money to be collected (or out of the assets coming to the hands of your petitioner).

(3) Or that such other order may be made in the premises as may be fit and proper.

VERIFICATION.

I,.....the Official Liquidator of the abovenamed Company make oath (or solemnly affirm) that the statements contained in the

(a) Or as the case may be.

foregoing petition are true to the best of my knowledge, information and belief.

Sworn (or, solemnly affirmed), etc.

NO. 47. (RULE 117).

ADVERTISEMENT OF INTENDED CALL.

(TITLE).

Notice is hereby given that.....the.....day of.....19 ....at.....o'clock in the.....noon at the Court-House Calcutta (or at the.....District Court) has been appointed for the hearing of an application to sanction a call on (all) the contributories of the said Company (or as the case may) and that the said call shall be for Rs. ..... per share. All persons interested are entitled to attend at such day, hour and place and to object to such call being sanctioned.

Official Liquidator.

Dated this.... ...day of. .. ... .19. ..

NO. 48. (RULE 118).

ORDER GIVING LEAVE TO MAKE A CALL.

(TITLE).

Upon the application of the Official Liquidator of the above-named Company, and upon reading the Petition of the said Official Liquidator, filed the.... .. ..day of.....19.....and an affidavit of (a).....filed the. ... .day of.....19...., and upon hearing ....It is ordered that leave be given to the Official Liquidator to make a call of Rs..... ....per share on (all) the contributories of the said Company (b)

And it is ordered that each such contributory do on or before the .....day of.....19 .....pay to the Official Liquidator of the said Company (into the Imperial Bank of India at its Head Office or.....branch to the account of the Official Liquidator or, in the case of a District Court, into the District Court at.....) the amount which is due from each such contributory in respect of such call.

NO. 49. (RULE 118).

NOTICE TO BE SERVED WITH THE ORDER SANCTIONING A CALL.

(TITLE).

(Address)
(Date)

The amount due from you, (name) in respect of the call made pursuant to the order whereof a copy is attached hereto is the sum

(a) Affidavit as to advertisements.
(b) Or as the case may be.

of Rs.....(c) which sum is to be paid by you on or before the .....day of.....19.....to me as the Official Liquidator of the said Company at my office No.....(c) (or into the Imperial Bank of India at its Head Office.....or.....branch or into the District Court at.....) to the account mentioned in the said order. You may pay the same in person, or through a banker or other agent but this notice and copy of the order attached must be produced at the Imperial Bank (or to the Court) upon such payment and the Secretary and Treasurer (or the Agent) of the Imperial Bank (or the Nazir or other proper office of the said Court) will, upon receiving the same, deliver to you a certificate of the payment signed by the said Secretary and Treasurer (or Agent) (or Judge). In order to prevent proceedings being taken against you for non-payment, you must immediately upon such payment, cause written notice of the payment, and of the date thereof, to be given to me, as the Official Liquidator of the said Company, at my office No.

Official Liquidator.

To,

(Name of contributory).
(Address).

NO. 50. (RULE 120).

SUMMONS TO ENFORCE CALL.

(TITLE).

Let all parties concerned attend at..... on the.....day of .....19.....at.....o'clock in the.....noon, on the hearing of an application on the part of the Official Liquidator of the above-named Company, that a call to the amount of Rs.....per share may be enforced on the contributories of the said Company set out in the schedule annexed hereto.

This summons was taken out by.....of .....attorney for the said Official Liquidator.

To.....a contributory of the said Company against whom the call is to be enforced.

THE SCHEDULE ABOVE REFERRED TO.

Number of List.	Name.	Address.	Description.	In what Character included.	Amount due.
1.	2.	3.	4.	5.	6.

(c) For use according as the call is to be paid to the Official Liquidator or into the Imperial Bank.

NO. 51. (RULE 120).

AFFIDAVIT IN SUPPORT OF APPLICATION FOR ORDER FOR PAYMENT OF CALL.

(TITLE).

I,.....of.....the Official Liquidator of the abovenamed Company, make oath for, (solemnly affirm) and say as follows:—

1. None of the contributories of the said Company whose names are set forth in the schedule to the summons herein annexed have paid the sums set opposite their names respectively in the said schedule, which sums are the amounts now due from them respectively in respect of the call of Rs.....per share, in pursuance of the order of this Court in that behalf dated the.... .day of.....19....

2. The sums set opposite the names of such contributories respectively in the said schedule are the amounts due and owing by such contributories respectively in respect of the said call.

Sworn (or solemnly affirmed), etc.

THE SCHEDULE ABOVE REFERRED TO.

Number of List.	Name.	Address.	Description.	In what Character included.	Amount due.
1.	2.	3.	4.	5.	6.

Note.—In addition to the above affidavit, an affidavit, of the service of the application for the call will be required.

NO. 52. (RULE 120).

ORDER FOR PAYMENT OF CALL DUE FROM A CONTRIBUTORY.

(TITLE).

Upon the application of..... the Official Liquidator of the abovenamed Company, and upon reading an affidavit of.....filed the .....day of.....19.... (a) and an affidavit of the Official Liquidator, filed the.....day of..... .....19....(b), and upon hearing.....it is ordered that.....of.....(or .....of.....the legal personal representative of.....late of .....deceased) one of the contributories of the said Company

(a) Affidavit of non-payment.

(b) Affidavit of service of the application for payment of the call.

(or, if against several contributories, the several persons named in the second column of the schedule to this order, being contributories of the said Company), do, on or before the.....day of.... ...19...., or within four days after service of this order, pay to the Official Liquidator of the said Company at his office No.....the sum of Rs.....(or into the Imperial Bank of India at its Head Office or.....branch to the account of the Official Liquidator (or into the District Court at.....) (if against a legal personal representative add, out of the assets of the said.....deceased, in his hands as such legal personal representative as aforesaid, if the said .....has in his hands so much to be administered, or, if against several contributories, the several sums of money set opposite to their names respectively in the sixth column of the said schedule hereto), such sum(s) being the amount(s) due from the said.....(or.....) (or the said several persons respectively), in respect of the call of Rs.....per share duly made, dated the .....day of .....19 .

THE SCHEDULE REFERRED TO IN THE FOREGOING ORDER.

Number of List.	Name.	Address.	Description	In what Character included.	Amount due.
1.	2.	3.	4.	5.	6.

Note.—The copy for service of the above order must bear the following notice:—

"If you, the undermentioned . ....neglect to obey this order by the time mentioned therein you will be liable to process of execution, for the purpose of compelling you to obey the same."

NO. 53. (RULE 120).

AFFIDAVIT OF SERVICE OF ORDER FOR PAYMENT OF CALL.

(TITLE).

I,.....of.....make oath (or, solemnly affirm) and say as follows:—

1. I did, on the.....day of.....19.....personally serve .....of.....with the order made on the.....day of..... 19....which is hereto annexed and marked A by delivering to and leaving with the said.....at.....in the.....a true copy of the said order.

2. There were on the said copy when so served the following words:—"If you, the undermentioned.....neglect to obey this order by the time mentioned therein, you will be liable to process of execution for the purpose of compelling you to obey the same."

Sworn (or. solemnly affirmed), etc.

NO. 54. (RULE 128).

NOTICE OF MEETING (GENERAL FORM).

(TITLE).

(Address)

(Date)

Take notice that a meeting of creditors (or contributories) in the above matter will be held at... .. on the.....day of.....19 .....at.....o'clock in the.....noon.

AGENDA

(a) Official Liquidator.

NO. 55. (RULE 129).

AFFIDAVIT OF POSTAGE OF NOTICES OF MEETING.

(TITLE).

I,... . ..a (b) . make oath (or, solemnly affirm) and say as follows —

1. I did on the. .. .day of.. ..19..... post to each creditor mentioned in the Company's list of debts (or to each contributory mentioned in the register of members of the Company) a notice of the time and place of the meeting in the form hereto annexed and marked "A."

2. The notices for creditors were addressed to the said creditors respectively according to their names and addresses appearing in the list of debts of the Company.

3. The notices for contributories were addressed to the contributories respectively according to their names and addresses appearing in the register of members of the Company.

4. I despatched the said notices by posting the same prepaid at the Post Office at.. .....before the hour of.... ...o'clock in the .....noon on the said day.

Sworn (or, solemnly affirmed), etc.

NO. 56. (RULE 132).

NOMINATION OF CHAIRMAN OF A MEETING.

(TITLE).

I,.....the Official Liquidator of .... ..do hereby nominate Mr.....of.....to be Chairman of the meeting of creditors (or contributories) in the above matter, appointed to be held at.....on the.....day of.... .....19...., and I depute him to use at such meeting, on my behalf, all proxies held by me for use thereat.

Official Liquidator.

Dated this.....day of.....19....

(a) (Here insert the purpose of the meeting).

(b) Description.

NO. 57. (RULE 143).

REPORT OF RESULT OF MEETING OF CREDITORS OR CONTRIBUTORIES.

(TITLE).

I,.....the Official Liquidator of the abovenamed Company or, Chairman of a meeting of the creditors (or contributories) of the abovenamed Company summoned in accordance with directions given on the.....day of.....19....by advertisement (or notice) dated the.....day of.....19...., and held on the.....day of .....19...., at.....do hereby report the result of such meeting as follows:—

The said meeting was attended, either personally or by proxy by creditors whose proofs of debt against the said Company were admitted for voting purposes, amounting in the whole to the value of Rs.....(or by.....contributories, holding in the whole..... shares in the said Company, and entitled respectively by the regulations of the Company to the number of votes hereinafter mentioned).

The proposal (or resolution) submitted to the said meeting was, (here state proposal or resolution as submitted to the meeting).

The said meeting was unanimously of opinion that the said proposal (or resolution) should (not) be adopted; (or the result of the voting upon such proposal (or resolution) was as follows) (a):—

Dated this.....day of.....19....

Resolution put to the Meeting	Voting on Resolution.			
	For.		Against.	
	No.	Amount.	No.	Amount.
(State the substance of any resolutions put and total amount of their proofs if Creditors or shares if Contributories).				
Creditors				
	No.	Shares.	Votes.	No.	Shares.	Votes.
Contributories ..						

Dated this.....day of.....19.....

(a) Here set out the majorities by which the respective resolutions were carried or lost.

No. 58. (RULE 145).

FORM OF PROXY.

(TITLE).

I, (b).....of.....a creditor (or contributory) of the abovenamed Company hereby appoint (a).....as my (our) proxy to vote for me (us) at the meeting of creditors (or contributories) of the said Company to be held on the.....day of.....19...., and at any adjournment thereof.

Signed (b).....

Dated this.....day of.....19.....

Signature of Witness.

Address.

Description.

N. B.—No creditor shall appoint a proxy who is not a creditor of the Company whose debt or claim has been admitted or allowed and no contributory shall appoint a proxy who is not a contributory of the Company, but a creditor or contributory may appoint the Official Liquidator to act as his proxy.

No. 59. (RULE 155).

ADVERTISEMENT AS TO DECLARATION OF A DIVIDEND.

(TITLE).

(Address)

(Date)

Notice is hereby given that a first (or, as the case may be) dividend of.....in the Rupee has been declared and that the same will be payable on the.....day of.....19...., at the office of the Official Liquidator No.

Every person eititled to participate in this dividend will receive a notice to that effect and no payment will be made except upon production of such notice.

Official Liquidator.

No. 60. (RULE 155).

NOTICE OF DIVIDEND.

(TITLE).

Dividend of.....in the rupees.

(Address)

(Date)

Notice is hereby given that a first (or as the case may be) .....dividend of.....in the Rupee has been declared, and that the same will be payable at my office, as above, on..... the.....day of.....19...., or on any subsequent day between the hours of.....and.....

(b) If a firm, write "we" instead of "I" and set out the full name of the firm.

(a) Here insert either "Mr." of or "the Official Liquidator in the above matter."

(b) If a firm, sign the firm's trading title, and add "by partner in the said firm."

Upon applying for payment this notice must be produced together with any bills of exchange, promissory notes or other negotiable securities held by you. If you desire the dividend to be paid to some other person you may sign and lodge with the Liquidator an authority in the prescribed Form No. 61. If you do not attend personally you must fill up and sign the subjoined Forms of Receipt and Authority.

Official Liquidator.

To,

Note.—The receipt and authority should, in the case of a firm be signed in the firm's name.

RECEIPT.

(TITLE).

(Address)
(Date)

Received from the Official Liquidator the sum of Rupees..... being the amount payable to me (us) in respect of the..... dividend of.....in the Rupee.

Payee's Signature.

Rs

AUTHORITY FOR DELIVERY.

(TITLE).

(Address)
(Date)

Sir,

Please deliver to bearer (or me (us) by post, at my (our) risk) the.....dividend of Rs.....payable to me (us).

Payee's Signature.

To,

The OFFICIAL LIQUIDATOR

No. 61. (RULE 157).

AUTHORITY TO LIQUIDATOR TO PAY DIVIDENDS TO ANOTHER PERSON.

(TITLE).

(Address)
(Date)

To,

The OFFICIAL LIQUIDATOR.

Sir,

I (we) hereby authorise you to pay the dividend referred to in the enclosed notice (a) to.....of.....(a specimen of whose signature is given below) whose receipt shall be sufficient discharge.

Signature (b).

Witness.
Address.
Occupation.

Specimen of Signature of person appointed as above.

Witness.
Address.
Occupation.

No. 62. (RULE 158).

SCHEDULE OR LIST OF CONTRIBUTORIES TO WHOM A RETURN IS TO BE PAID.

(TITLE).

Number in settled List.	Name of Contributory as in settled List.	Address.	Number of Shares held as per settled List.	Total called up value.	Total Paid-up value.	Arrears of calls at date of return.	Previous returns of Capital appropriated by Liquidator for arrears of calls.	Amount of return payable at per Share.	Net return Payable.	Date and Particulars of transfer of interest or other variation in List.	Remarks.
1.	2.	3.	4.	5.	6.	7	8.	9.	10.	11.	12

No. 63. (RULE 158).

NOTICE OF RETURN TO CONTRIBUTORIES.

(TITLE).

Return of Rs.....per share.

(Address)

(Date)

Notice is hereby given that a first (or as the case may be)..... return of Rs.....per share has been declared, and that the same will be payable at my office, as above, on.....the .....day of.....19...., or on any subsequent day between the hours.....M. and.....M.

Upon applying for payment this notice must be produced together with the share certificate(s). If you do not attend personally you must forward the share certificate and fill up and sign the subjoined Forms of Receipt and Authority.

(Signed).
Official Liquidator.

(a) Form No. 60 must be enclosed with this authority.

(b) If signed by a firm sign the firm's name and add by H. B., a partner in the said firm.

Note.—The receipt should be signed by the contributory personally, or in the case of joint contributories by each.

RECEIPT.

(TITLE).

(Address)
(Date)

No.....

Received from the Official Liquidator the sum of Rupees..... being the amount payable to me (us).....in respect of the .....return of.....per share held by me (us). Rs.

Signature(s)

AUTHORITY FOR DELIVERY.

(Address)
(Date)

Sir,

Please deliver to bearer.....or me (us) by post, at my (our rick the return of Rs.....payable to me (us).

Signature(s).

To,

The OFFICIAL LIQUIDATOR.

No. 64. (RULE 159).

CERTIFICATE OF PASSING FINAL ACCOUNTS.

(TITLE).

I hereby certify that.....the Official Liquidator of the abovenamed Company, has passed his final account as such Official Liquidator, and that a balance of Rs.....is shown by such account to be in his hands.

Dated this.....day of.....19.....

Judge.

No. 65. (RULE 162).

NOTICE OF APPOINTMENT OF LIQUIDATOR UNDER SECTION 208 (1).

(Address)
(Date)

To,

The REGISTRAR OF COMPANIES (or such person or officer as may have been authorised or appointed by the Local Government under the provisions of Section 248 (6) of Act VII of 1913).

In the matter of (set out name of the Company).

Sir,

Pursuant to Section 208 (1) of the Indian Companies Act (VII of 1913) I have the honour to give you notice that by a special (or extraordinary) resolution, dated the.....day of.....19...., a copy of which is hereto annexed, I (we) the undersigned have been appointed Liquidator(s) in the voluntary winding-up of the said Company.

I (We) have, etc.

No. 66. (RULE 171).

ORDER FOR DISSOLUTION OF THE COMPANY.

(TITLE).

Upon the application of the Official Liquidator of the above-named Company, and upon reading the certificate dated the..... day of.....19....(a) and it appearing that the balance of Rs.....found in the hands of the Official Liquidator has been paid to..... It is ordered that the said..... Limited be dissolved as from this.....day of..... 19...., and that the.....recognisances dated the..... day of.....19....., entered into by the said Official Liquidator, together with.....and.....his sureties be vacated.

No. 67 (RULE 182).

FORM OF ORDER TRANSFERRING WINDING-UP PROCEEDINGS FROM THE HIGH COURT TO A DISTRICT COURT OR FROM ONE DISTRICT COURT TO ANOTHER.

(TITLE).

It is hereby ordered that the winding-up proceedings in the above matter, together with all documents and papers thereto relating, and all moneys and securities standing therein to the credit of the Official Liquidator, be transferred to the District Court at..... (or from the District at.....to the District Court at.....) and the said District Court shall hereafter have recognizance of all such proceedings and take into its custody all such moneys and securities.

Dated this.....day of.....19.....

Judge.

MADRAS HIGH COURT.

RULES UNDER THE INDIAN COMPANIES ACT, 1913.

(Act VII of 1913).

Under the powers conferred by the Indian Companies Act, 1913, as amended by the Repealing and Amending Act, 1915, and all other powers hereunto enabling: It is hereby ordered that the following rules of practice and procedure and the forms set out in the appendix hereto shall be used and observed in the High Court and shall have effect from the 1st day of October, 1918.

1. *General Heading.*—The following shall be used as general headings in all cases under these rules relating to Companies in the High Court of Judicature at Madras:—

A.—For proceedings before the Judge in Chambers or in Court —In the High Court of Judicature at Madras. In the matter of the Indian Companies Act, VII of 1913, and of the Company, Limited.

B.—For all advertisements, notices and other proceedings not before the Judge in Chambers or in Court—In the matter of the Indian Companies Act VII of 1913, and of the Company, Limited.

C.—In cases where it is required, the words "and reduced" shall be added to the description of the Company.

(a) Certificate of passing final account.

2. *Presentation and Hearing of Proceedings.*—Unless otherwise ordered, all proceedings under the Act shall be heard in Chambers and the rules of the High Court, 1902, with reference to proceedings in Chambers shall apply thereto.

3. *Jurisdiction and Appeal.*—The jurisdiction conferred upon the High Court by the Indian Companies Act, 1913, may be exercised by a Judge sitting on the Original Side of the Court and in all matters of practice and procedure, shall be deemed to be part of the Ordinary Original Civil Jurisdiction of the Court and appeals from the orders of a single Judge shall be heard and determined in manner prescribed by the rules of the High Court for appeals from the judgment of order of a single Judge in the exercise of the said original jurisdiction.

4. *Taxation of Costs.*—The High Court-Fee Rules, 1902, shall apply to all proceedings under the Act; provided that, unless otherwise ordered, the costs of an original petition shall be taxed by the Taxing officer.

5. *Forms to be used.*—The forms and appendix hereto shall be used with such variations as circumstances may require.

REDUCTION OF CAPITAL.

6. *Petition to Reduce Capital, "and Reduce" under Section 57 of the Act.*—Upon the presentation of a petition for an order confirming a special resolution for reducing the capital of a Company in cases where the creditors of the Company are not entitled to object to the proposed reduction, the words "and reduced" shall be used, unless an order has been obtained dispensing with those words. Such an order may be obtained in Chambers, either on application *ex parte* by summons in Chambers before the presentation of the petition or after the petition has been presented; in the former cases a copy of the intended petition should be filed.

7. *Practice in Cases where Creditors cannot object.*—In the cases mentioned in the last preceding rule, a certificate shall not be granted as is hereinafter provided by Rule 19, but the petition shall be posted for hearing. In all other cases, the rules hereinafter provided with reference to petitions to reduce capital shall be followed.

8. *Practice where Creditors are entitled to object.*—In cases in which the creditors are entitled to object to the proposed reduction, the petition shall not be posted for hearing until after the expiration of 14 clear days from the filing of such certificate as is mentioned in Rule 19 hereafter.

9. *Proceedings after Petition Presented.*—When any such petition as last aforesaid has been presented, application may be made *ex parte*, by Judge's Summons, for directions as to the proceedings to be taken for settling the list of creditors entitled to object to the proposed reduction, and the Judge may thereupon fix the date with reference to which the list of such creditors is to be made out pursuant to Section 58 of the Act; and may, either at the same time or afterwards, as he shall think fit, give such directions as are mentioned in Rules 10, 11, 14, 15 and 16. The order upon such summons may be in Form No. 1 in the Appendix hereto.

10. *Advertisement of Petition.*—Notice of the presentation of the petition shall be published at such times in the Fort St. George Gazette, and in such newspapers in English and in the Vernacular as the Judge shall direct, so that the first insertion of such notice

be made not less than one calendar month before the day of the date fixed, as mentioned in Rule 9. Such notice may be in Form No. 2.

11. *Affidavit as to Creditors.*—The Company shall, within such time as the Judge shall direct, file in Court an affidavit made by some officer or officers of the Company competent to make the same, verifying a list containing the names and addresses of the creditors of the Company at the date fixed as mentioned in Rule 9; and the nature and amounts due to them, respectively, or in case of any debt payable on a contingency or not ascertained or any claim admissible to proof in a winding-up of the Company, the value, so far as can be justly estimated, of such debt or claim.

12. *Form of Affidavit.*—The person making such affidavit shall state therein his belief that such list is correct, and that there was not at the date so fixed as aforesaid any debt or claim which, if that date was the commencement of the winding-up of the Company, would be admissible in proof against the Company, except the debts set forth in such list, and shall state his means of knowledge of the matters deposed to in such affidavit. Such affidavit may be in Form No. 3.

13. *Inspection of List of Creditors.*—Copies of such list containing the names and addresses of the creditors, and the total amount due to them, but omitting the amount due to them respectively, or (as the Judge shall think fit) complete copies of such list shall be kept at the registered office of the Company and at the offices of their Attorney or Vakil (if any), and any person desirous of inspecting the same may, at any time during the ordinary hours of business, inspect and take extracts from the same on payment of the sum of one rupee.

14. *Notice to Creditors.*—The Company shall, within seven days after the filing of such affidavit, or such further time as the Judge may allow, sent to each creditor whose name is entered in the said list a notice stating the amount of the proposed reduction of capital, and the amount or estimated value of the debts for which such creditor is entered in the said list, and the time (such time, to be fixed by the Judge) within which, if he claims to be a creditor for a larger amount, he must send in his name and address, and the particulars of his debt or claim and the name and address of his Attorney or Vakil (if any) to the Attorney or Vakil of the Company; and such notice shall be sent through the post in a registered letter prepaid for acknowledgment addressed to each creditor at his last known address or place of abode and may be in Form No. 4; provided, that where any of the creditors of the Company are residing out of British India, or where the names of any of the creditors are not known to the Company, the Judge may direct notice to be given to them by advertisement in such papers and at such times or in such manner as he may think proper.

15. *Advertisement as to List of Creditors.*—Notice of the list of creditors shall, after the filing of the affidavit mentioned in rule 11, be published at such times and in such newspapers as the Judge shall direct. Every such notice shall state the amount of the proposed reduction of capital, and the places where the aforesaid list of the creditors may be inspected, and the time within which creditors of the Company, whose names are not entered in the said list, and who are desirous of being entered therein, must send in their names and

addresses, and the particulars of their debts or claims, and the names and addresses of their Attorney or Vakil (if any) to the Attorney of Vakil of the Company; and such notice may be in Form No. 5.

16. *Affidavit as to result of Rules* 14 *and* 15.—The Company shall, within such time as the Judge shall direct, file in Court an affidavit made by the person to whom the particulars or debts of claims are, by such notices as are mentioned in Rules 14 and 15, required to be sent in, stating the result of such notices, respectively, and verifying a list containing the names and addresses of the persons (if any), who shall have sent in the particulars of their debts or claims in pursuance of such notices, respectively, and the amounts of such debts or claims, and some competent officer or officers of the Company shall join in such affidavit, and shall in such list distinguish which (if any) of such debts and claims are wholly, or as to any and what part thereof, admitted by the Company, and which (if any) of such debts and claims are wholly, or as to any and what part thereof, disputed by the Company. Such affidavit may be in Form No. 6.

17. *Proceedings where Claim not admitted.*—Where any debt or claim, the particulars of which are so sent in, shall not be admitted by the Company, at its full amount, then and in every such case, unless the Company are willing to set apart and appropriate in such manner as the Judge shall direct the full amount of such debt or claim, the Company shall, if the Judge thinks fit so to direct, send to the creditor a notice that he is required to come in and prove such debt or claim, or such part thereof as is not admitted by the Company, by a day to be therein named, being not less than 14 clear days after such notice, and being the time appointed by the Judge for adjudicating upon such debts and claims, and such notice shall be sent in the manner mentioned in Rule 14 and may be in Form No. 7 with such variations as the circumstances of the case may require.

18. *Costs of Proof.*—Such creditors as come in and prove their debts or claims in pursuance of such notice as is mentioned in Rule 17 may be allowed their costs of proof against the Company and such costs shall be added to their debt; or the said creditors may be ordered to pay the costs in the event of their proof not being established.

19. *Certificate by the Judge as to Creditors.*—The result of the settlement of the list of creditors shall be stated in a certificate which shall be signed by the Judge, and such certificate shall state what debts or claims (if any) have been disallowed, and shall distinguish the debts or claims the full amount of which the Company are willing to set apart and appropriate, and the debts or claims (if any) the amount of which has been fixed by inquiry and adjudication in manner provided by Section 59 of the Act, and the debts or claims (if any) the full amount of which is not admitted by the Company, and which the Company are unwilling to provide for, and the amount of which has not been fixed by inquiry and adjudication as aforesaid; and shall show which of the creditors have consented in writing to the proposed reduction, and the total amount of the debts due to them, and the total amount of the debts or claims the payment of which has been secured in manner provided by the said Section 59 of the Act, and the persons to or by whom the same are due or claimed; but it shall not be necessary to show in such certificate

the several amounts of the debts or claims of any persons who have consented in writing to the proposed reduction or the payment of whose debts or claims has been secured as aforesaid.

20. *Petition to come on for Hearing.*—After the expiration of fourteen days from the filing of such last-mentioned certificate the petition shall be set down for hearing in the ordinary course.

21. *Advertisement of Hearing.*—Before the hearing of the petition, notices stating the day on which the same is appointed to be heard shall be published at such times and on such newspapers, in English and the Vernaculars, as the Judge shall direct. Such notices may be in Form No. 8.

22. *Who may Appear.*—Any creditor settled on the said list whose debt or claim has not, before the hearing of the petition, been discharged or determined, or been secured in manner provided by Section 59 of the Act, and who has not before the hearing consented in writing to the proposed reduction of capital, may, if he thinks fit, upon giving two clear days' notice to the Attorney or Vakil of the Company of his intention so to do, appear at the hearing of the petition and oppose the application.

23. *Costs of Appearance.*—When a creditor who appears at the hearing under the last preceding Rule is a creditor the full amount of whose debt or claim is not admitted by the Company, and the validity of whose debt or claim has not been inquired into and adjudicated upon under Section 59 of the Act, the costs of and occasioned by his appearance shall be dealt with as to the Judge shall seem just, but in all other cases a creditor appearing, shall be entitled to the costs of such appearance, unless the Judges shall be of opinion that in the circumstances of the particular case his costs ought not to be allowed.

24. *Directions at Hearing.*—When the petition comes on to be heard, the Judge may, if he shall so think fit, give such directions as may seem proper with reference to the securing, in manner mentioned in Section 59 of the Act, the payment of the debts or claims of any creditors who do not consent to the proposed reduction; and the further hearing of the petition may, if the Judge shall think fit, be adjourned for the purpose of allowing any steps to be taken with reference to the securing in manner aforesaid the payment of such debts or claims.

25. *Order Confirming Reduction.*—Where the Judge makes an order confirming a reduction, such order shall give directions in what manner and in what newspapers, in English and the Vernacular, and at what times, notices of the registration of the order and of such minute as is mentiond in Section 61 of the Act, is to be published; and unless the Judge shall have dispensed altogether with the addition of the words "'and reduced" or shall then dispense with the further use thereof, shall fix the date until which the words "and reduced" are to be deemed part of the name of the Company as mentioned in Section 57 of the Act.

26. *Publication of Reasons for Reduction, etc.*—If the Judge shall think fit to require the Company to publish the reasons for the reduction of its capital, or any other information with regard thereto or the causes which led to such reduction (as provided by Section 65 of the Act) the same shall be advertised in such newspapers, in English and in the Vernacular, as the Judge shall think proper.

WINDING-UP.

27. *Petition to Wind-up Company—Advertisement of Petition.*—Every petition for the winding-up of any Company by the Court, subject to the supervision of the Court, after admission, shall be advertised fourteen clear days before the hearing, as follows:—

(1) In the case of a Company whose registered office or if there shall be no such office, then whose principal or last known principal place of business, is, or was, situate within the local limits of the Ordinary Original Civil Jurisdiction of the High Court at Madras, once in the Fort St. George Gazette and in such newspapers in English and in the Vernacular as the Judge shall direct.

(2) In the case of any other Company, once in the Fort St. George Gazette and once at least in two local newspapers, or if there is none, in such newspapers in English and the Vernacular circulating in the district where such registered office or principal, or last known principal place of business as the case may be, of such Company, is or was situate as the Judge shall direct, and also by proclamation affixed to the Notice-Board of the High Court.

The advertisement shall state the day on which the petition was represented, and the name and address of the petitioner and of his Attorney or Vakil (if any) (Form No. 9).

28. *Service of Petition.*—Every such petition shall, unless presented by the Company, be served at the registered office (if any) of the Company and where there is no registered offices, then at the principal or last known principal place of business of the Company, where any such can be found, upon any member, officer, or servant of the Company there, or in the case no such member, officer, or servant can be found there, then by being left at such registered office or principal place of business, or by being served on such member or members of the Company as the Judge may direct, and every petition for the winding-up of a Company subject to the supervision of the Court shall also be served upon the liquidator (if any) appointed for the purpose of winding-up the affairs of the Company. So also every petition for the compulsory winding-up of a Company shall be served upon the liquidator (if any) who may have been appointed to act in a voluntary winding-up, or in a winding-up under supervision, as the case may be.

29. *Affidavit verifying Petition.*—Every petition for the winding-up of any Company by the Court, or subject to the supervision of the Court, shall be verified by an affidavit referring thereto, in Form No. 10, such affidavit shall be made by the petitioner, or by one of the petitioners where more than one, or in case the petition is presented by the Company by some Director, Secretary, or other principal officer thereof, and shall be made and filed within four days after petition is presented, and such affidavits shall be sufficient *prima facie* evidence of the statements in the petition. Where the petition is presented by a corporate body, other than the Company itself, the affidavit shall be made by some Director, Secretary or other principal officer of such corporate body; provided that where the petitioner is by reason of absence or for other good cause unable to verify such petition, the same may with the permission of the Court be verified by any person duly authorised by him in that behalf.

30. *Copies of Petition to be supplied.*—Every contributory or creditor of the Company shall be entitled to be furnished by the Attorney or Vakil of the petitioner with a copy of the petition within

twenty-four hours after requiring the same, or paying at the rate of 6 annas per folio of 72 words for such copy.

31. *Petition not to be dismissed if any Creditor desires to take advantage of it.*—Where a petition to wind-up has been admitted, the petitioner shall not be entitled to withdraw or have it dismissed, where any creditor appears and proves his debt and is desirous of taking advantage of the petition.

ORDER TO WIND-UP COMPANY.

32. *Order to Wind-up Company—Advertisement and Service of Order.*—Notice of every order for the winding-up of a Company by the Court, or subject to its supervision, shall within twelve days after the date thereof be given by the petitioner once in the Fort St. George Gazette, and once in such newspapers in English and the Vernacular as the Judge shall direct and shall be served upon such person (if any), and in such manner as the Court may direct. Such notice may be in Form No. 13.

33. *Proceedings on Order.*—Within ten days after the order for the winding-up of a Company has been issued, a summons in Chambers shall be taken out by the petitioner to proceed with the winding-up of the Company, and in default thereof such summons may be taken out by any other person interested in the winding-up to whom the Judge may think fit to give the conduct and prosecution of the said order, and in either case such summons shall be served upon all parties who may have appeared upon the hearing of the petition. Upon the return of such summons, a time shall, where the Judge thinks fit, be fixed for the appointment of an official liquidator, and for the proof of debts and for the list of contributories to be brought in, and directions may be given as to the advertisement to be issued for all or any of such purposes, and generally as to the proceedings and the parties to attend thereon. The proceedings under the order shall be continued by adjournment, and where necessary, by further summons, and any such directions as aforesaid may be given, added to, or varied at any subsequent times as may be found necessary.

OFFICIAL LIQUIDATOR.

34. *Appointment of official Liquidator.*—The judge may appoint a person to the office of official liquidator without any previous advertisement or notice to any party, or may fix a time and place for the appointment of an official liquidator, and may appoint or reject any person nominated at such time and place, and appoint any person not so nominated.

35. *Advertisement as to Appointment.*—When a time and place are fixed for the appointment of an official liquidator, such time and place shall be advertised in such manner as the Judge shall direct, so that the first or only advertisement shall be published within fourteen days and not less than seven days before the day so fixed. (Form No. 14).

36. *Security of Official Liquidator.*—Every official liquidator shall give security by entering into a recognisance with one or more sufficient sureties, or a Guarantee Society recognised by the Court or by depositing Government Securities in such sum as the Judge

may approve, provided that the Judge may, if he thinks fit, dispense with such security. (Form Nos. 16 and 17).

37. *Order appointing Official Liquidator.*—The official liquidator shall be appointed by order; and unless he shall have given security, or unless security shall have been dispensed with, a time shall be fixed by such order within which he is to do so, and the order shall fix the times or period at which the official liquidator is to file his accounts of receipts and payments, and shall direct that all moneys to be received shall be paid into the Bank of Madras or branch thereof nearest to the principal place of business of the Company, immediately after the receipt thereof or within seven days at least after the receipt thereof to the account of the official liquidator of the Company, and an account shall be opened there accordingly, and if the money is payable into the Bank of Madras or branch thereof as aforesaid an office copy of the order shall be lodged at the Bank of Madras as such branch thereof as aforesaid. (Form Nos. 18 and 22).

38. *Certificate of security given.*—When an official liquidator has given security pursuant to the directions in the order appointing him, the same shall be certified by the Deputy Registrar of the High Court, Original Side.

39. *Fresh Security when Required.*—Except in cases where security has been dispensed with, the official liquidator shall on each occasion of passing his accounts and also whensoever the Judge may so require, satisfy the Judge that his sureties are living, and resident in the Presidency of Madras, and have not been adjudged bankrupt or become insolvent, and in default thereof he may be required to enter into fresh security, within such time as shall be directed.

40. *Advertisement of Appointment made.*—Every appointment of an official liquidator shall be advertised in such manner as the Judge shall direct, immediately after he has been appointed and has given security, if any, required. (Form No. 23).

41. *Provisional official Liquidator.*—Where it is desired to appoint provisionally an official liquidator, an application for that purpose may at any time after the presentation of the petition for winding-up the Company be made by Judge's summons without advertisement or notice to any person unless the Judge shall otherwise direct; and such provisional official liquidator may, if the Judge shall think fit, be appointed without security. (Form No. 19).

42. *Vacancy in Office of Official Liquidator.*—In case of the death, removal, or resignation of an official liquidator, another shall be appointed, in his room, in the same manner as directed in the case of a first appointment; and the proceeding for that purpose may be taken by such part interested as may be authorised by the Judge to take the same.

43. *Accounts.*—The official Liquidator shall, with all convenient speed after he is appointed, proceed to make up, continue, complete, and rectify the books of accounts of the Company, and shall provide and keep such books of account as shall be necessary, or as the Judge may direct, for the purposes aforesaid, and for showing the debts and credits of the Company, including a ledger which shall contain the separate accounts of the contributories, and in which every contributory shall be debited from time to time with the amount payable by him in respect of any call to be made as provided by the Act and these Rules.

44. *Official Record Book to be kept by Liquidator.*—The official liquidator shall further keep a book to be called the "Record Book," in which he shall record all minutes, all proceedings and resolutions passed at any meeting of creditors or contributories, and all such matters as may be necessary to give a correct view of his administration of the Company's affairs.

45. *Remuneration.*—(1) The official liquidator shall be allowed in his accounts, or otherwise paid such salary or remuneration as is provided in Sub-Section (2) hereof or as the Judge may from time to time direct and in all cases such salary or remuneration may either be fixed at the time of his appointment or at any time thereafter as the Judge may think fit, and the same may be so fixed as to cover the expenses of the employment of assistants of clerks by the official liquidator and also his office rent, stationery, etc., unless the Judge shall otherwise order. Every allowance of such salary or remuneration unless made at the time of the appointment or upon passing an account shall be made upon application for that purpose by the official liquidator on notice to such persons (if any) and supported by such evidence as the Judge shall require. Nevertheless the Judge may from time to time allow any sum he may think fit to the official liquidator on account of the salary or remuneration to be thereafter allowed.

(2) Unless the Judge otherwise directs the official liquidator shall be allowed in his accounts or otherwise paid remuneration calculated as follows:—

SCALE OF FEES.

Upon the total assets including produce of calls on contributories realised or brought to credit and not being moneys received and spent on carrying on the business:

On the first Rs. 10,000 or fraction thereof 5 per cent.
On the next Rs. 15,000 or fraction thereof 3 per cent.
On the next Rs. 25,000 or fraction thereof 2½ per cent.
On the next Rs. 50,000 or fraction thereof 2 per cent.
On any sum above one lack of rupees or fraction thereof 1 per cent.

(3) When the official liquidator collects calls or realises property for debenture-holders or other secured creditors the same rate of fees as aforesaid shall be paid out of the proceeds of such calls or property.

(4) When the official liquidator acts as trustee under a scheme of arrangement he shall be entitled to such remuneration as the Court shall allow.

(5) No official liquidator shall settle his remuneration with the pleaders for the parties concerned or with the parties in person.

46. *Passing Accounts.*—The accounts of the official liquidator shall be filed at such times as may from time to time be ordered by the Judge and shall upon notice to such persons (if any) as the Judge shall direct, be audited, passed or verified as may be ordered.

47. *Joint Official Liquidator.*—Where joint official liquidators are appointed, the above rules relating to official liquidators shall be applicable *mutatis mutandis.*

PROOFS OF DEBTS.

48. *Proof of Debts—Advertisement for Creditors.*—For the purpose of ascertaining the debts and claims due from the Company and of requiring the creditors to come in and prove their debts or claims, an advertisement shall be issued at such times as the Judge shall direct, and such advertisement shall fix a time for the creditors to send their names and addresses, and the particulars of their debts or claims, and the names and addresses of their Attorneys or Vakils (if any), to the official liquidator, and appoint a day for adjudicating thereon. (Form No. 24).

49. *Attendance of Creditors.*—The creditors need not attend upon the adjudication, nor prove their debts or claims, unless they are required to do so by notice from the official liquidator, but upon such notice being given, they are to come in, and prove their debts or claims within a time to be therein specified.

50. *Lists of Debts.*—The official liquidator shall investigate the debts and claims sent to him, and ascertain, so far as he is able, which of such debts and claims are justly due from the company, and he shall make out and file in Court a list of all the debts and claims sent into him distinguishing which of the debts and claims, or parts of debts and claims, so claimed, are, in his opinion, justly due and proper to be allowed without further evidence, and which of them, in his opinion, ought to be proved by the creditors, and he shall make and file, prior to the time appointed for adjudication, and affidavit setting forth which of the debts and claims in his opinion are justly due and proper to be allowed without further evidence and stating his belief that such debts and claims are justly due and proper to be allowed, and the reasons for such belief. (From Nos. 25 and 26).

51. *Allowance of Debts.*—At the time appointed for adjudicating upon the debts and claims, or at any adjournment thereof, the Judge may either allow the debts and claims upon the affidavit of the official liquidator, or may require the same, or any of them, to be proved by the claimants, and adjourn the adjudication thereon to a time to be then fixed, and the official liquidator shall give notice to the creditors whose debts or claims have been so allowed of such allowance in such manner as the Judge may direct. (Form No. 27).

52. *Proof of Debts.*—The official liquidator shall give notice in writing to the creditor, whose debts or claims have not been allowed by him, that he is required to come in and prove the same by a day to be therein named, being not less than four days after such notice, and to attend at a time to be therein named, being the time appointed by the advertisement or by adjournment (as the case may be) for adjudicating upon such debts and claims. (Form Nos. 28 and 29).

53. *Estimation of Value of Debts and Claims.*—The value of all debts and claims against the company shall, so far as is possible, be estimated according to the value thereof at the date of the order to wind-up the company.

54. *Cost of Proof.*—Such creditors as come in and prove their debts or claims pursuant to notice from the official liquidator may be allowed their taxed costs of proof which may be added to the debt if the Judge so directs.

55. *Judge's certificate of Debts.*—The result of the adjudication upon debts and claims shall be in the form of a certificate to

be signed by the Judge from time to time as convenience may require, and such certificate shall state whether the debts or claims are allowed or disallowed, and whether allowed as against any particular assets, or in any other qualified or special manner. (Form No. 30).

LIST OF CONTRIBUTORIES.

56. *List of Contributories.*—The official liquidator shall, with all convenient speed after this appointment, or at such time as the Judge shall direct, make out and file in Court a list of the contributories of the Company; and such list shall be verified by the affidavit of the official liquidator; and shall, so far as is practicable, state the respective addresses of, and the number of shares or extent of interest to be attributed to each such contributory and distinguish the several classes of contributories. And such list may, from time to time, by leave of the Judge, be varied or added to by the official liquidator. (Form Nos. 32, 33, 37, and 38).

57. *Notice of Appointment to settle.*—Upon the list of contributories being filed in Court, the official liquidator shall obtain an appointment for the Judge to settle the same and shall give notice in writing of such appointment to every person included in such list, stating in what character, and for what number of shares or interest such person is included in such list, and in case any variation or addition to such list shall at any time be made by the official liquidator, a similar notice in writing shall be given to every person to whom such variation or addition applies. All such notices shall be served four clear days before the day appointed to settle such list or such variation or addition. (Form Nos. 34 and 35).

58. *Judge's Certificates.*—A list of contributories as the same shall have been settled by the Judge shall from time to time be drawn up by the official liquidator and signed by the Judge for the purpose of stating the result of such settlement down to any particular time, or as to any particular person or stating any variation of the list. (Form Nos. 39 and 40).

59. *Notice to Contributories.*—The official liquidator shall forthwith give notice in writing to every person whom he has finally placed on the list of contributories stating in what character and for what number of shares or interest he has been placed on the list, and in the notice inform such person that any application for the removal of his name from the list, or for a variation of the list, must be made to the Court by summons in Chambers within 30 days from the date of the service of the contributory or alleged contributory of notice of the fact that his name is settled on the list of contributories.

60. (1) *Application to the Court to vary the List.*—Subject to the power of the Court to extend the time or to allow an application to be made notwithstanding the expiration of the time limited for that purpose, no application to the Court by any person who objects to the list of contributories as finally settled by the official liquidator shall be entertained after the expiration of 30 days from the date of the service on such person of notice of the settlement of the list.

(2) The official liquidator shall not in any case be personally liable to pay any costs of, or in relation to, an application to set aside or to vary his act or decision settling the name of a person on the list of contributories of a Company.

SALES OF PROPERTY.

61. *Sales of Property.*—Any movable or immovable property belonging to the Company may be sold with the approbation of the Deputy Registrar, Original Side, in the same manner as in the case of a sale under a decree or order of the Court in a suit, or if the Judge shall so direct, by the official liquidator, in which case the conditions or contracts of sale shall be settled and approved of by the Deputy Registrar, Original Side, unless the Judge shall otherwise direct; and unless on account of the small amount of the purchase-money or other cause, it shall be thought proper that the purchase-money shall be paid to him, all conditions and contracts of sale shall provide that the purchase-money shall be paid by the respective purchasers into the Bank of Madras or the branch thereof nearest to the principal place of business of the Company to the account of the official liquidator of the Company

CALLS.

62. *Calls—Summons for Call.*—Every application to the Judge to make any call on the contributories or any of them, for any purpose authorised by the said Act, shall be made by summons in Chambers, stating the proposed amount of such call; and such summons shall be served four clear days at the least before the day appointed for making the call on every contributory proposed to be included in such call, or if the Judge shall so direct, notice of such intended call may be given by advertisement or such other public notification as the Judge in his discretion may think sufficient. (Form Nos. 41, 42 and 43).

63. *Document making the Call*—When the official liquidator is authorised by order to make a call on the contributories he shall file in Court a document in Form No. 45 with such variations as circumstances may require making the call.

64. *Enforcement of Call.*—The payment of the amount due from each contributory on a call may be enforced by order of the Court, to be made in Chambers on summons by the official liquidator, and may be executed as if it were a decree for money. (Form Nos. 46 and 47).

65. *Service of Order.*—When any order for a call has been made a copy thereof shall forthwith be served upon each of the contributories included in such call, together with a notice from the official liquidator specifying the amount or balance due from such contributory, having regard to the provisions of the Act in respect to such call; but such order need not be advertised unless for any special reason the Judge shall so direct. (Form Nos. 44 and 45).

PAYMENT IN OF MONEYS AND DEPOSIT OR SECURITIES.

66. *Bills, etc., to be Deposited in Bank.*—All bills, hundis, notes and other securities payable to the Company, or to the official liquidator thereof, shall, unless the Judge otherwise directs, as soon as they shall come to the hands of such official liquidator, be deposited by him in the Bank of Madras or the branch thereof nearest to the principal place of business of the Company, for the purpose of being presented for acceptance and payment, or for payment only as the case may be.

67. *Calls, etc., to be paid into Bank.*—All orders for payment

of calls, balances or other moneys due from any contributory or other person shall direct the same to be paid into the Bank of Madras or the branch thereof as aforesaid, to the account of the official liquidator of the Company, unless, on account of the smallness of the amount or other cause, it shall be thought proper to direct payment thereof to the official liquidator; provided that where any such order has been made directing payment of a specific sum into the Bank of Madras or a branch thereof, as aforesaid, in case it shall be thought proper for the purpose of enabling the official liquidator to issue execution or take other proceedings to enforce the payment thereof, or for any other reason, an order may, either before service of such former order or after the time thereby fixed for payment, be made, without notice, for the payment of the same sum to the official liquidator.

68. *Notice as to Payment into Bank.*—At the time of the service of any order for payment into the Bank of Madras or a branch thereof as aforesaid, the official liquidator shall give to the party served a notice to the purport, or effect set forth in Form No. 48 for the purpose of informing him how the payment is to be made, and before the time fixed for such payment, the official liquidator shall furnish the Secretary of the Bank of Madras or the branch thereof, as aforesaid, with a certificate to the purport or effect set forth in Form No. 49, to be signed by the cashier of the Bank and delivered to the party paying in the money therein mentioned.

69. *Affidavit of Non-payment.*—For the purchase of enforcing any order for payment of money into the Bank of Madras or a branch thereof as aforesaid, an affidavit of the official liquidator to the purport or effect set forth in Form No. 51, shall be sufficient evidence of non-payment thereof.

70. *Title of Account in Bank.*—All moneys, bills, hundis, notes and other securities, paid and delivered into the Bank of Madras or the branch thereof as aforesaid, shall be placed to the credit or account of the official liquidator of the Company and orders for any such payment and delivery shall direct the same accordingly. (Form No. 22).

DELIVERY OUT, OF SECURITIES AND PAYMENT OUT AND INVESTMENT OF MONEYS.

71. *Delivery out, of Securities and Payments, etc.*—All bills, hundis, notices and other securities delivered into the Bank of Madras or a branch thereof as aforesaid, shall be delivered out upon a request signed by the requests and cheques of official liquidator and such other person, if any, as the Judge may direct; moneys placed to the account of the official liquidator shall be paid out upon such cheques or order signed by the official liquidator and such other person, if any, as the Judge may direct. (Form No. 22).

72. *Sanction to Bills of Exchange, etc.*—The sanction of the Judge to the drawing, accepting, making and endorsing of any bill of exchange, hundi or promissory note by any official liquidator, shall be testified by a memorandum on such bill of exchange, hundi or promissory note signed by the Judge or by such other person as the Judge shall direct. (Form No. 57).

73. *Investment.*—All or any part of the money for the time being standing to the credit of the account of the official liquidator at the Bank of Madras, or a branch thereof as aforesaid, and not

immediately required for the purposes of winding-up may be invested in the purchase of Government securities in the name of the official liquidator. All investments of moneys in the Bank of Madras or a branch thereof as aforesaid shall be made by the Bank of Madras upon a request signed by the official liquidator and countersigned by the Judge or such other person as the Judge shall direct; such request shall be sufficient authority for debiting the account with the purchase-money; and such securities shall be retained by or deposited with the Bank of Madras and shall not afterwards be sold or transferred or otherwise dealt with except upon a direction for that purpose signed by the official liquidator, and countersigned by the Judge or such other person as the Judge shall direct or under an order made by the Court. (Form No. 52).

74. *Receipt of Dividends.*—Subject to any special order which the Judge may make, all dividends and interest to accrue due from any such securities shall from time to time be received by the Bank of Madras under a Power-of-Attorney to be executed by the official liquidator, and placed to the credit of the account of such official liquidator, and when any of such securities shall become payable the same shall be renewed or the principal and interest due thereon be received and placed to the credit of the account of the official liquidator.

MEETINGS OF CREDITORS OR CONTRIBUTORIES.

75. *Meetings of Creditors or Contributories.—Notice.*—Where the Court shall direct a meeting of the creditor or contributories of the Company to be summoned under Section 239 of the Act, or where the official liquidator either of his own motion or at the direction or request of the creditors or contributories under Section 183 of the Act, shall summon such a meeting, he shall give notice in writing, seven clear days before the day appoined for such meeting, to every creditor or contributory of the time and place appointed for such meeting, and of the matter upon which the Court desires to ascertain the wishes of the creditors or contributories, or where the Court shall so direct, such notice may be given by advertisement in the daily papers, in which case the object of the meeting need not be stated, and it shall not be necessary to insert such advertisement in the Fort St. George Gazette. (From No. 53).

76. *Order as to Calling Meeting.*—The direction of the Judge for any meeting of creditors or contributories under Section 239 of the Act, and the appointment of a person to act as Chairman of any such meeting shall be obtained by summons in Chambers. In the case of a meeting summoned by the official liquidator under Section 183 of the Act, he, or some one nominated by him, shall be Chairman. (Form No. 54).

77. *Votes—Chairman's Report.*—The votes of the creditors or contributories of the Company at any meeting summoned by the direction of the Court may be given either personally or by proxy; but no creditor shall appoint a proxy who is not creditor of the Company, whose debt or claim has been allowed, and no contributory shall appoint a proxy who is not a contributory of the Company. (Form No. 55).

The Chairman of a meeting summoned by the direction of the Court shall report the result thereof to the Court. (Form No. 56).

DIRECTION OR SANCTION OF COURT.

78. *Sanction of Judge on Compromise.*—Every application for the sanction of the Judge to a compromise with any contributory or other person indebted to the Company shall be supported by the affidavit of the official liquidator stating that he has investigated the affairs of such contributory or person, and believes that the proposed compromise will be beneficial to the Company, and giving his reasons for such belief; and the sanction of the Judge thereto shall be obtained by summons in Chambers. (Form of Agreement No. 58).

79. *In Case under Section* 179.—The direction or sanction of the Judge for any proceeding or act to be taken or done by the Official Liquidator under the powers conferred on him by Section 179 shall (subject to the provisions of Section 180 of the Act) be obtained by summons in Chambers and an order shall be drawn up thereon, unless the Judge shall otherwise direct. (Form No. 59).

PROCEDURE IN CERTAIN CASES.

80. *Application to the Court under Sections* 104, 207, 212, 215 *and* 237 *of the Act.—Application how made.*—Every application under Sections 104 (3), 207 (viii), 207 (ix), 212 (2) and 215 of the Act shall be made by petition or, if the Court shall so direct, by summons in Chambers, and every application under Section 237 of the Act shall be made by petition.

81. *Insertion of Advertisement.*—When an advertisement is required for any purpose, except where otherwise directed by these Rules the advertisement shall be inserted once in the Fort St. George Gazette, and in such other newspaper or newspapers, and for such number of times as may be directed. The Judge, however, may, in such cases, as he shall think fit, dispense with any advertisement required by these rules.

82. *Affidavits—filing and Office copies of Affidavits.*—Where an order shall have been made for the winding-up of any Company, any person intending to use any affidavit in any proceeding under such order, shall file the same in Court, and serve a copy thereof on the Official Liquidator. The person other than the Official Liquidator filing the affidavit shall not be required to take an office thereof, but an office copy thereof shall be taken by the Official Liquidator, and he shall produce the same at the hearing of any application or proceeding upon which it is intended to be used unless the Judge shall otherwise direct.

83. *Register of Proceedings.*—A register shall be kept by the Court of all proceedings in each matter in a book set apart for that purpose.

84. *Provisional Official Liquidator.*—All the above rules relating to official liquidator shall, so far as the same are applicable and subject to the direction of the Court of the Judge in each case, apply to provisional liquidators.

85. *Attendance and Appearance of Parties.*—No order to the prejudice of contributories or creditors shall be made *ex parte*, on the application of the official liquidator; and every person for the time being on the list of contributories of the Company filed in Court by the official liquidator, and every person having a debt or claim against the Company allowed by the Judge shall be at liberty at his own expense to attend the proceedings before the Judge,

and shall be entitled, upon payment of the costs occasioned thereby, to have notice of all such proceedings as he shall by written request desire to have notice of, but if the Judge shall be of opinion that the attendance of any such person upon any proceedings has occasioned any additional costs which ought not to be borne by the funds of the Company, he may direct such costs, or a gross sum in lieu thereof, to be paid by such person, and such person shall not be entitled to attend any further proceedings until he has paid the same.

86. *Appointment of Representative Party.*—The Judge may from time to time appoint any one or more of the contributories or creditors as he thinks fit to represent before him at the expense of the Company all or any class of the contributories or creditors upon any question as to a compromise with any of the contributories or creditors, or in and about any other proceedings before him relating to the winding-up of the Company, and may remove the person or persons so appointed. In case more than one person shall be so appointed, they shall unite in employing the same Attorney or Vakil to represent them.

87. *Appearance to be filed before Attendance.*—No contributory or creditor shall be entitled to attend any proceedings before the Judge unless and until he has filed an appearance with the Deputy Registrar, Original Side. A book to be called the appearance book shall be kept in which all such appearances shall be entered. (Form No. 60).

SERVICE OF SUMMONSES, NOTICES, ETC.

88. *Service of Summonses, Notices, etc.—Service how effected.* —Services upon contributories and creditors shall be effected, except when personal service is required, by sending the notice, or a copy of the petition, summons or order or other document, through the post, in a prepaid registered letter addressed to the Attorney or Vakil of the party to be served (if any) or otherwise to the party himself, if a contributory, to his last known address or place of abode, and if a creditor, to the address given by him pursuant to the foregoing Rule 48 and such notice or copy of petition, summons, order, or other document shall be considered as served.

89. *Name of Person incomplete.*—No service under these rules shall be deemed invalid by reason that any name other than the surname of the person (if the said person be a European) or any name other than the final name ordinarily used by the person (being other than a European) on whom service is sought to be made has been omitted, or designated by initial letters, in the list of contributories or in the petition, summons, order, notice, or other document, wherein the name of such contributory or creditor is contained, provided the Court is satisfied that such service is in other respects sufficient.

TERMINATION OF WINDING-UP.

90. *Termination of Winding-up Proceedings.*—Upon the termination of the proceedings for the winding-up of any Company, a balance sheet shall be brought in by the official liquidator of his receipts and payments, and verified by his affidavit; and the official liquidator shall pass his final account, and the balance (if any), due on the

final account shall be certified by the Judge; and upon payment by the official liquidator of the balance (if any) in such manner as the Judge shall direct, the recognisances entered into by the official liquidator and his sureties may be vacated. (Form No. 62).

91. *Dissolution of Company.*—When the official liquidator has passed his final account, and the balance (if any) due thereon has been paid in such manner as the Judge shall direct, the official liquidator shall, in case the Company has not been already dissolved, apply to the Judge for an order that the Company be dissolved from the date of such order. (Form No. 63).

92. *Deposit of Proceedings in Court.*—When the proceedings for winding-up any Company have been completed, the file of proceedings and the book containing the official liquidators' account shall be deposited in Court.

93. *Notice by Liquidator in Voluntary Winding-up of his Appointment.*—The liquidator in a voluntary winding-up shall, within twenty-one days after his appointment, file with the Registrar of Joint Stock Companies a notice of his appointment as required by Section 208 (1) of the Act. (Form No. 64).

94. *Times for filing Liquidator's Statements, and Regulations Applicable thereto.*—The statements with respect to the proceedings in and position of the liquidation of the Company, the winding-up of which is not concluded within a year after its commencement shall be filed with a Registrar twice in every year as follows:—

(1) The first statement, commencing at the date when a liquidator was first appointed and brought down to the end of twelve months from the commencement of the winding-up, shall be filed within thirty days from the expiration of such twelve months; and the subsequent statements shall be filed at intervals of half a year, each statements being brought down to the end of the half year for which it is filed.

(2) Form No. 65 shall be used.

(3) Every statement shall be verified by affidavit in Form No. 66.

95. *Liquidator's Statements in Voluntary Liquidations.*—The statements required by Section 216 of the Act to laid before the general meetings of the Company, the voluntary winding-up of which continues for more than one year, shall be in the same form and contain the same particulars as the statements mentioned in Rule 94.

DUTIES OF ATTORNEY OR VAKIL OF OFFICIAL LIQUIDATOR.

96. *Duties of Attorney or Vakil of Official Liquidator.*—The Attorney or Vakil of the official liquidator shall conduct all such proceedings as are ordinarily conducted by Attorneys or Vakils of the High Court, and where the attendance of his Attorney or Vakil is required on any proceedings in Court or Chambers, the official liquidator need not attend in person, except in cases where his presence is necessary in addition to that of his Attorney or Vakil, or the Court shall direct him to attend.

MISCELLANEOUS.

97. *Taxation of Costs.*—Where an order is made by the Judge in Court or in Chambers for payment of taxed costs, the order shall

direct the taxation thereof by the Taxing Officer except in cases where fixed costs in lieu of taxed costs are allowed by the Order.

98. *General Power of Court.*—The power of the Court of Judge to enlarge or abridge the time for doing any act, or taking any proceeding, to adjourn, or review any proceeding, and to give any direction as to the course of proceeding, is unaffected by these rules.

99. *Accounts, etc., to be filed in the Deputy Registrar's Office.*—All accounts, lists, notices, and other documents directed by these rules to be filed in Court shall be filed in the office of the Deputy Registrar, Original Side of the Court.

100. *Deputy Registrar's Powers.*—The Registrar or Deputy Registrar may, in respect of proceedings under the Companies Act, exercise any of the powers delegated to him by the High Court Rules in respect of proceedings on the Original Side of the High Court, and in addition thereto may exercise the powers given to a Judge under Rules 6, 14, 15, 16, 17, 21, 25, 27, 28, 29, 32, 35, 36, 39, 40, 48, 56, 71, 73, 81 and 90 of these Rules.

101. *General Practice to Apply.*—In cases not provided for by these rules or by rules of procedure laid down in the Act, the practice and procedure of the High Court of Justice in England in matters relating to Companies shall be followed so far as they are applicable and not inconsistent with these rules and the Act.

RESTORATION OF COMPANIES NAMES.

102. *Restoration of Company's Name.—Petition for.*—Every petitioner for the restoration of a Company's name under Section 247 (6) of the Indian Companies Act, 1913, shall *inter alia* pray that the name of the Company may be restored to the register of Companies, and that the Registrar or Assistant Registrar of Joint Stock Companies may be directed to advertise in his official name in the Fort St. George Gazette the order of the Court to be made on this petition, or that such further or other relief may be given as to this Honourable Court may seem fit. A copy of the said petition shall be served on the Registrar or Assistant Registrar of Joint Stock Companies not less than fourteen days before the hearing of the said petition.

103. *Order.*—In case the Court directs the restoration of the Company's name, it shall order that the name of the said Company be restored to the register of Companies, that pursuant to the Indian Companies Act, 1913, the said Company shall be deemed to have continued in existence as if the name had never been struck off, that the Registrar or Assistant Registrar of Joint Stock Companies do advertise this order in his official name in the Fort St. George Gazette, and that the petitioners do pay to the Registrar or Assistant Registrar of Joint Stock Companies his costs of and occasioned by the said petition, such costs to be taxed by the Taxing Officer.

104. *Affidavits.*—In all cases in which by law a person may make a solemn affirmation instead of an affidavit, the word affidavit in these rules shall be deemed and taken to mean a solemn affirmation.

APPENDIX TO THE MADRAS HIGH COURT RULES UNDER THE INDIAN COMPANIES ACT, 1913 CONTAINS FORMS WHICH ARE SIMILAR TO FORMS PRINTED IN FULL UNDER THE BOMBAY HIGH COURT RULES. THE FOLLOWING SCHEDULE IS PREPARED FOR FACILITY OF REFERENCE.

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APPENDIX D

SECTION II

HIGH COURT RULES, ALLAHABAD
AND
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4. Plaint of a Suit Shareholder for misfeasance for wrongful payment of Dividends and Concealing facts.
5. Plaint for recovery of Allotment money.

APPENDIX D

SECTION II

Allahabad High Court

Rules under the Indian Companies Act, 1913, both for the High Court and the Courts subordinate thereto

PRELIMINARY.

General headings

1 The following shall be used as general headings in all cases under these rules relating to companies in the High Court of Judicature at Allahabad and in the Courts subordinate thereto.

A —For proceedings in Court —

In the High Court of Judicature at Allahabad (or in the District Court of).

(as the case may be)

In the matter of the Indian Companies Act VII of 1913, and of the . . . . . Company, Limited.

B —For all advertisements, notices, and other proceedings not in Court —

In the matter of the Indian Companies Act, VII of 1913, and of the . . . . . Company, Limited

C In cases where it is required the words "and reduced" shall be added to the description of the company

Presentation and hearing of petitions and of all applications and proceedings Presentation, etc., of petitions, etc

2. In the High Court of Judicature at Allahabad all petitions shall be presented, applications made to, and proceedings taken under the direction of the Judge who may be taking applications for the time being Provided nevertheless that the said Judge may report any matter so brought before him to the Chief Justice for the purpose of reference to any other Judge or Bench. Where any District Court has been empowered under section 3, clause (1) of Act No. VII of 1913, all petitions shall be presented, application made to, and proceedings taken under the direction of, the Judge for the time being of the District Court within whose jurisdiction the registered office of the company may be situate.

RULES AS TO REDUCTION OF CAPITAL.

Petition to reduce capital "and reduced" under section 57 of the Act.

3. An order dispensing with the addition of the words "and reduced" in cases 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, may be obtained either on application before the presentation of the petition or at the time when the petition is presented. Such order may be made *ex parte* if the Court thinks fit.

Practice in cases where creditors are not entitled to object.

4. In cases where the creditors of the company are not entitled, under the provisions of section 58 of the Indian Companies Act, 1913 (in these rules called "the Act") to object to the proposed reduction, a certificate shall not be granted as is hereinafter provided by Rule 16, but the petition shall, if necessary, be answered and shall come on for hearing in the ordinary way. In all other cases the rules hereinafter provided with reference to petitions to reduce capital shall be followed.

Practice where creditors are entitled to object.

5. In cases in which the creditors are entitled to object to the proposed reduction, the petition shall not come on to be heard until after the expiration of 14 clear days from the filing of such certificate as is mentioned in Rule 16 hereafter.

Proceedings after petition presented.

6. When any such petition as last aforesaid has been presented, application may be made *ex parte*, for directions as to the proceedings to be taken for settling the list of creditors entitled to object to the proposed reduction, and the Judge may thereupon fix the date with reference to which list of such creditors is to be made out, pursuant to section 58 of the Act; and may, either at the same time or afterwards, as he shall think fit, give such directions as are mentioned in Rules 7, 8, 11, 12, and 13. The order may be in Form No. 1 in the first schedule to these rules (hereinafter in these rules called "the first schedule hereto"), with such variations as the circumstances of the case may require.

Advertisement of petition.

7. Notice of the presentation of the petition shall be published at such times and in such newspapers in English and in the vernacular as the Court shall direct, so that the first insertion of such notice be made not less than one calendar month before the day of the date fixed, as mentioned in the last preceding rule. Such notice may be in Form No 2, with such variations as the circumstances of the case may require.

Affidavit as to creditors.

8. The company shall, within such time as the Court shall direct, file in Court an affidavit made by some officer or officers of the company competent to make the same, verifying a list containing the names and addresses of the creditors of the company at the date fixed as mentioned in Rule 6 herein, and the nature and amounts due to them, respectively, or in case of any debt payable on a contingency or not ascertained, or any claim admissible to proof in a winding-up of the company, the value, so far as can be justly estimated, of such debt or claim.

Form of affidavit.

9. The person making such affidavit shall state therein his belief that such list is correct, and that there was not at the date so fixed as aforesaid any debt or claim which, if that date was the commencement of the winding-up of the company, would be admissible in proof against the company, except the debts set forth in such list, and shall state his means of knowledge of the matters deposed to in such affidavit. Such affidavit may be in Form No. 3, with such variations as the circumstances of the case may require.

Inspection of list of creditors.

10. Complete copies on such list shall be kept at the registered office of the company and at the offices of their attorneys or agents (if any) and any person desirous of inspecting the same may, at any time during the ordinary hours of business, inspect and take extracts from the same on payment of the sum of one rupee.

Notice to creditors.

11. The company shall, within seven days after the filing of such affidavit, or such further time as the Court may allow, send to each creditor whose name is entered in the said list a notice stating the amount of the proposed reduction of capital, and the amount or estimated value of the debt for which such creditor is entered in the said list, and the time (such time to be fixed by the Court) within which, where he claims to be a creditor for a larger amount, he must send in his name and address, and the particulars of his debt or claim and the name and address of his vakil, pleader or attorney (if any) to the vakil, pleader or attorney of the company; and such notice shall be sent through the post in a registered letter addressed to each creditor at his last known address or place of abode, and may be in Form No. 4 with such variations as the circumstances of the case may require: Provided that where any of the creditors of the company are residing out of British India, or where the names of any of the creditors are not known to the company, the court may direct notice to be given to them by advertisement or in such other manner as it may think proper.

Advertisement as to list of creditors.

12. Notice of the list of creditors shall, after the filing of the affidavit mentioned in Rule 8, be published at such times and in such newspapers as the Court shall direct. Every such notice shall state the amount of the proposed reduction of capital, and the places where the aforesaid list of the creditors may be inspected, and the time within which creditors of the company, whose names are not entered on the said list, and who are desirous of being entered therein, must send in their names and addresses and the particulars of their debts or claims, and the names and addresses of their vakil, pleader or attorney (if any) to the vakil, pleader or the attorney of the company; and such notice may be in Form No. 5 with such variations as the circumstances of the case may require.

Affidavit as to result of Rules 11 and 12.

13. The company shall, within such time as the Court shall

direct, file in Court an affidavit made by the person to whom the particulars of debts or claims are, by such notices as are mentioned in Rules 11 and 12 required to be sent in, stating the result of such notices, respectively, and verifying a list containing the names and addresses of the persons (if any), who shall have sent in the particulars of their debts or claims in pursuance of such notices, respectively, and the amounts of such debts or claims, and some competent officer or officers of the company shall join in such affidavit, and shall in such list distinguish which (if any) of such debts and claims are wholly, or as to any and what part thereof admitted by the company, and which (if any) of such debts and claims are wholly, or as to any and what part thereof disputed by the company. Such affidavit may be in Form No. 6 with such variations as the circumstances of the case may require.

Proceedings where claim not admitted

14. Where any debt or claim, the particulars of which are so sent in, shall not be admitted by the company at its full amount, then and in every such case, unless the company are willing to set apart and appropriate in such manner as the Court shall direct the full amount of such debt or claim, the company shall, where the Court thinks fit so to direct, send to the creditor a notice that he is required to come in and prove such debt or claim, or such part thereof as is not admitted by the company, by a day to be therein named, being not less than 14 clear days after such notice, and being the time appointed by the Court for adjudicating upon such debts and claims, and such notice shall be sent in the manner mentioned in Rule 11 and may be in Form No. 7 with such variations as the circumstances of the case may require.

Cost of proof

15. Such creditors as come in to prove their debts or claims in pursuance of such notice as is mentioned in Rule 14 shall be allowed their costs of proof against the company and such costs shall be added to their debt; or the said creditors may be answerable for costs in the event of their proof not being established.

Certificate by the Judge as to creditors.

16. The result of the settlement of the list of creditors shall be stated in a certificate which shall be signed by the Court and such certificate shall state what debts or claims (if any) have been disallowed, and shall distinguish the debts or claims the full amount of which the company are willing to set apart and appropriate, and the debts or claims (if any) the amount of which has been fixed by enquiry and adjudication in the manner provided by section 59 of the Act, and the debts or claims (if any) the full amount of which is not admitted by the company, nor such as the company are willing to set apart and appropriate, and the amount of which has not been fixed by enquiry and adjudication as aforesaid; and shall show which of the creditors have consented in writing to the proposed reduction, and the total amount of the debts due to them, and the total amount of the debts or claims the payment of which has been secured in the manner provided by section 59 of the Act and the persons to or by whom the same are due or claimed; but it shall

not be necessary to show in such certificate the several amounts of the debts or claims of any persons who have consented in writing to the proposed reduction or the payment of whose debts or claims has been secured as aforesaid.

Petition to come on for hearing.

17. After the expiration of eight clear days from the filing of such last-mentioned certificate the petition shall be set down for hearing in the ordinary course upon a praecipe addressed to the Registrar|District Judge's Munsarim by the petitioner or his vakil, pleader or attorney to have the petition set down for hearing.

Advertisement of hearing.

18. Before the hearing of the petition, notices stating the day on which the same is appointed to be heard shall be published at such times and in such newspapers, in English and the vernacular, as the Judge shall direct. Such notices may be in Form No. 8 with such variations as the circumstances of the case may require.

Who may appear

19. Any creditor settled on the said list whose debt or claim has not, before the hearing of the petition, been discharged or determined, or been secured in manner provided by section 59 of the Act, and who has not before the hearing consented in writing to the proposed reduction of capital, may, where he thinks fit, upon giving seven clear days' notice to the vakil, pleader or attorney of the company of his intention so to do, appear at the hearing of the petition and oppose the application.

Cost of appearance.

20. When a creditor who appears at the hearing under the last preceding rule is a creditor the full amount of whose debt or claim is not admitted by the company, and the validity of whose debt or claim has not been enquired into and adjudicated upon under section 59 of the Act, the costs of and occasioned by his appearance shall be dealt with as to the Court shall seem just, but in all other cases a creditor appearing, under the last preceding rule shall be entitled to the costs of such appearance, unless the Court shall be of opinion that in the circumstances of the particular case his costs ought not to be allowed.

Directions at hearing.

21. When the petition comes on to be heard, the Court may, where it shall so think fit, give such directions as may seem proper with reference to the securing in the manner mentioned in section 59 of the Act, the payment of the debts or claims of any creditors who do not consent to the proposed reduction; and the further hearing of the petition may, where the Court shall think fit, be adjourned for the purpose of allowing any steps to be taken with reference to the securing in the manner aforesaid the payment of such debts or claims.

Order confirming reduction.

22. Where the Court makes an order confirming a reduction, such order shall give directions in what manner and in what newspapers, in English and the vernacular, and at what times, notice of the registration of the order and of such minute as is mentioned in section 61 of the Act, is to be published; and unless the Court shall have dispensed altogether with the addition of the words "and reduced," or shall then dispense with the further use thereof, shall fix the date until which the words "and reduced" are to be deemed part of the name of the company as mentioned in section 57 of the Act.

Publication of reasons for reduction, etc.

23. Where the Court thinks fit to require the company to publish the reasons for the reduction of its capital, or any other information in regard thereto or the cause which led to such reduction (as provided by section 65 of the Act) the same shall be advertised in such newspapers, in English and in the vernacular, as the Court shall think proper.

RULES AS TO WINDING-UP.

Petition to wind-up Company
Adevertisement of petition.

24. Every petition for the winding-up of any company by the Court, or subject to the supervision of the Court after admission, shall be advertised fourteen clear days before the hearing as follows:—

(1) In the case of a company other than a company falling under clause (2) of this section whose registered office, or where there shall be no such office, then whose principal or last known principal place of business is, or was, situate within the jurisdiction of the High Court at Allahabad, once in the *Local Government Gazette*, and once at least in two English daily newspapers and two vernacular newspapers, published in Allahabad, unless the Judge otherwise directs.

(2) In the case of a company having a registered office in the jurisdiction of a District Court empowered under section 3 (1) of this Act or of any other company, once in the *Local Government Gazette*, and once at least in two local newspapers or where there should be none such, in two newspapers circulating in the district where such registered office or principal, or last known principal, place of business, as the case may be, of such company, is or was situate, and also by proclamation affixed to the walls of the Court house, unless the Court otherwise directs

The advertisement shall state the day on which the petition was presented, and the name and address of the petitioner, and of his vakil, pleader or attorney (if any). (Form No. 9).

Service of petition.

25. Every such petition shall, unless presented by the company, be served at the registered office (if any) of the company, and where there is no registered office, then at the principal, or last-

known principal place of business of the company, where any such can be found, upon any member, officer, or servant of the company there, or in case no such member, officer, or servant can be found there, then by being left at such registered office or principal place of business, or by being served on such member or members of the company as the Court may direct; and every petition for the winding-up of a company subject to the supervision of the Court shall also be served upon the liquidator (if any) appointed for the purpose of winding-up the affairs of the company. So also every petition for the compulsory winding-up of a company shall be served upon the liquidator (if any) who may have been appointed to act in a voluntary winding-up, or in a winding-up under supervision. as the case may be.

Affidavit verifying petition.

26. Every petition for the winding-up of any company by the Court, or subject to the supervision of the Court, shall be verified by an affidavit referring thereto, in Form No. 10 such affidavit shall be made by the petitioner, or by one of the petitioners where more than one, or in case the petition is presented by the company, by some director, secretary, or other principal officer thereof and shall be made and filed within four days after the petition is presented, and such affidavit shall be sufficient *prima facie* evidence of the statements in the petition. Where the petition is presented by a corporate body, other than the company itself, the affidavit shall be made by some director, secretary or other principal officer of such corporate body: Provided that where the petitioner is by reason of absence or for other good cause unable to verify such petition the same may be verified by any person duly authorized by him in that behalf or deemed by the Court competent to verify the same.

Copies of petition to be supplied

27 Every contributory or creditor of the company shall be entitled to be furnished by the vakil, pleader or attorney to the petitioner with a copy of the petition within twenty-four hours after requiring the same on paying at the rate of 8 annas per folio of 90 words for such copy.

Petition not to be dismissed if any creditor desires to take advantage of it.

28. Where a petition to wind-up has been admitted, the petitioner shall not be entitled to have it dismissed, where any creditor appears and proves his debt and is desirous of taking advantage of the petition.

Order to wind-up Company.
Advertisement and service of order.

29. Every order for the winding-up of a company by the Court, or subject to its supervision, shall within twelve days after the date thereof be advertised by the petitioner once in the *Local Government Gazette*, and shall be served upon such person (if any), and in such manner, as the Court may direct. (Form No. 13).

Proceedings on order.

30. Within 10 days after any order for the winding-up of a company has been sealed, an application shall be made by the petitioner to proceed with the winding-up of the company and in default thereof an application may be made by any other person interested in the winding-up to whom the Court may think fit to give the conduct and prosecution of the said order, and in either case notice of such application shall be served upon all parties who may have appeared upon the hearing of the petition. Upon the return of such notice a time shall, where the Court thinks fit, be fixed for the appointment of an official liquidator, and for the proof of debts and for the list of contributories to be brought in, and directions may be given as to the advertisement to be issued for all or any of such purposes, and generally as to the proceedings and the parties to attend thereon. The proceedings under the order shall be continued by adjournment, and where necessary, by further summons, and any such directions as aforesaid may be given, added to or varied, at any subsequent times as may be found necessary.

Appointment of official liquidator.

31. The Court may appoint a person to the office of official liquidator without any previous advertisement or notice to any party, or may fix a time and place for the appointment of an official liquidator, and may appoint or reject any person nominated at such time and place, and appoint any person not so nominated.

Advertisement as to appointment.

32. Where a time and place are fixed for the appointment of an official liquidator, such time and place shall be advertised in such manner as the Court shall direct, so that the first or only advertisement shall be published within 14 days and not less than seven days before the day so fixed. (Form No. 14).

Security of official liquidator.

33. Every official liquidator shall give security by entering into a recognizance with one or more sufficient sureties, or by depositing Government securities in such sum as the Court may approve, provided that the Court may if it thinks fit dispense with such security. (Form No. 16).

Order appointing official liquidator.

34. The official liquidator shall be appointed by order; and unless he shall have given security or unless security shall have been dispensed with, a time shall be fixed by such order within which he is to do so, and the order shall fix the times or periods at which the official liquidator is to file his accounts of receipts and payments, and shall direct that all moneys to be received shall be paid into the Government Treasury, or the Imperial Bank of India nearest to the principal place of business of the company, or in the case of a District Court into that Court, immediately after the receipt thereof

to the account of the official liquidator of the company, and an account shall be opened there accordingly, and if the money is payable into the Government Treasury, or the Imperial Bank of India, an office copy of the order shall be lodged at the Government Treasury, or the Imperial Bank of India (Forms Nos. 18 and 22).

Certificate of security given.

35. Where an official liquidator has given security pursuant to the directions in the order appointing him, the same shall be certified by the Registrar of the High Court or by the munsarim of the District Judge, as the case may be.

Fresh security when required.

36. Except in cases where security has been dispensed with, the official liquidator shall on each occasion of passing his accounts and also whensoever the Judge may so require, satisfy the Court that his sureties are living, and resident in the Province of Agra, and have not been adjudged bankrupt or become insolvent, and in default thereof he may be required to enter into fresh security within such time as shall be directed.

Advertisement of appointment made

37 Every appointment of an official liquidator shall be advertised in such manner as the Court shall direct immediately after he has been appointed and has given security, if any required. (Form No. 23).

Provisional official liquidator

38 Where it is desired to appoint provisionally an official liquidator an application for that purpose may at any time after the presentation of the petition for winding-up the company be made by petition without advertisement or notice to any person unless the court shall otherwise direct; and such provisional official liquidator may, if the court shall think fit, be appointed without security. (Form No. 19).

Vacancy in office of official liquidator.

39. In case of the death, removal, or resignation of an official liquidator, another shall be appointed in his room, in the same manner as directed in the case of a first appointment; and the proceedings for that purpose may be taken by such party interested as may be authorized by the Court to take the same.

Accounts.

40. The official liquidator shall, with all convenient speed after he is appointed, proceed to make up, continue, complete, and rectify the books of account of the company; and shall provide and keep such books of account as shall be necessary, or as the Court may direct, for the purposes aforesaid, and for showing the debts and credits of the company, including a ledger which shall contain the separate accounts of the contributories, and in which every contributory shall be debited from time to time with the amount payable

by him in respect of any call to be made as provided by the Act and these rules.

Official Record Book to be kept by liquidator.

41. The official liquidator shall further keep a book to be called the "Record Book," in which he shall record all minutes, all proceedings had and resolutions passed at any meeting of creditors or contributories, and all such matters as may be necessary to give a correct view of his administration of the company's affairs.

Remuneration.

42. The official liquidator shall be allowed in his accounts or otherwise paid, remuneration calculated as follows:—

SCALE OF FEES.

(1) Upon the total assets, including produce of calls on contributories, realised or brought to credit, and not being moneys received and spent on carrying on the business—

On the first Rs. 10,000 or fraction thereof 5 per cent.
On the next Rs. 15,000 or fraction thereof 3 per cent.
On the next Rs. 25,000 or fraction thereof 2½ per cent.
On the next Rs 50,000 or fraction thereof 2 per cent
On any sums above Rs. 1,00,000 or fraction thereof 1 per cent.

(2) When the official liquidator collects calls or realises property for debenture holders or other secured creditors, the same rate of fees as under No. (1) above to be paid out of the proceeds of such calls or property.

(3) When the official liquidator acts as trustee under a scheme of arrangement, such remuneration, not exceeding the rate of fees under No. (1) above as the Court shall allow.

(4) When the official liquidator performs any special duties not provided for above, such amount as the Court on the application of the official liquidator may consider reasonable.

He shall also be allowed, unless the Court otherwise directs, a sum sufficient to cover the expenses of the employment of the assistants or clerks and his office rent, stationery, etc.

(*a*) The rate of remuneration of a liquidator shall in no case exceed the amount specified in the scale of fees given above.

(*b*) No officer of the Court acting as liquidator shall settle his remuneration with the vakils, pleader or attorneys, for the parties concerned or with the parties if in person.

Passing accounts.

43. The accounts of the official liquidator shall be file at such times as may from time to time be ordered by the Court, and shall,

upon notice to such persons (if any) as the Court shall direct, be audited passed or verified as may be ordered.

Joint official liquidators.

44. Where joint official liquidator are appointed the above rules relating to official liquidators shall be applicable *mutatis mutandis.*

Procedure for notice to creditors to prove debts.

45. Subject to the provisions of the Act, and unless otherwise ordered by the Court, the official liquidator may, from time to time, fix a day, which shall be not less than 14 days from the date of the notice, on or before which the creditors of the company are to prove their debts or claims, or to be excluded from the benefit of any distribution made before such debts are proved, and the official liquidator shall give notice in writing of the day so fixed by advertisement in such newspaper or newspapers as he shall consider convenient and to every person, separately, who to the knowledge of the liquidator, claims to be a creditor of the company and whose claim has not been admitted.

Examination of proof of debts and submission of reports by official liquidator.

46. (*a*) The official liquidator shall examine every proof of debt lodged with him and the grounds of the debt and in writing admit or reject it in whole or in part or require further evidence in support of it. If he rejects a proof, he shall state in writing to the creditor the grounds of the rejection.

(*b*) The official liquidator shall from time to time embody the result of his examination in a list of debts admitted by him and in another, of debts rejected by him and will submit a copy of the same to the court.

Proceedings on official liquidator's decision.
Notice of rejection of claim.

47. (*a*) If a creditor is dissatisfied with the decision of the official liquidator in respect of a proof, the court may on the application of the creditor reverse or vary the decision; but subject to the power of the court to extend time, no application to reverse or vary the decision of the official liquidator rejecting a proof sent to him by a creditor or person claiming to be a creditor, shall be entertained, unless the application is made before the expiration of 30 days from the date of the service of the notice of rejection.

(*b*) The service of the notice of rejection shall be made by posting the reasons of the rejection to the address of the claimant under a registered cover and acknowledgment due.

(*c*) If the court, after hearing the application of the claimant whose claim has been disallowed by the official liquidator, allows it wholly or in part, the particulars of the debt admitted by the court will be entered in the official liquidator's report made under Rule 46 (*b*) in red ink, against the entry in the report with the remark on the margin that the same was allowed by the court.

Improperly admitted claims liable to be expunged or reduced by court.

48. (*a*) If the official liquidator thinks that a claim has been improperly admitted, the court may, on the application of the official liquidator, after notice to the creditor who made the claim, expunge it or reduce its amount.

(*b*) The court may also expunge or reduce the amount of a claim upon the application of a creditor, or contributory or of its own motion, if the official liquidator declines to interfere in the matter.

Power to administer oaths and take affidavits.

49. For the purpose of any of his duties in relation to claims, the official liquidator may administer oaths and take affidavits.

Estimation of value of debts and claims.

50. The value of all debts and claims against the company shall, so far as is possible, be estimated according to the value thereof at the date of the order to wind-up the company.

Dividends payable, principal and interest.

51. Creditors whose debts and claims carry interest and are allowed shall be entitled to receive dividends upon what was due for principal and interest at the date of the winding-up. In the event of there being a surplus the dividends payable to such creditors shall be applied firstly, towards payment of the interest, and secondly, in reduction of the principal due to them

Interest may be allowed on all claims in respect of which it is recoverable as damages.

Cost of proof.

52. Such creditors as come in and prove their debts or claims pursuant to notice from the official liquidator shall be allowed their cost of proof which will be added to the debt.

Judge's certificate of debts.

53. The result of the adjudication upon debts and claims shall be in the form of certificate to be signed by the Court from time to time as convenience may require, and such certificte shall state whether the debts or claims are allowed or disallowed and whether allowed as against any particular assets, or in any other qualified or special manner. (Forms Nos. 27 and 28).

List of contributories.

54. The official liquidator shall, with all convenient speed, after his appointment, settle a list of contributories of the company and shall appoint a time and place for that purpose. The list of contributories shall contain a statement of the address of and the number of shares or the extent of interest to be attributed to each contributory and the amount called up and the amount paid up in respect of such shares and interest and shall distinguish the several classes of contributories. As regards the representative contributories the

official liquidator shall as far as practicable, observe the requirements of section 184 (sub-section (2) of the Act).

Notice for settlement of list of contributories.

55. (*a*) The official liquidator shall give notice in writing of the time and place appointed for the settlement of the list of contributories to every person whom he propose to include in the list, and shall state in the notice to each person, in what character and for what number of shares or interest he proposes to include such persons in the list, and what amount has been called up and what amount paid up in respect of such shares or interest

(*b*) The notice shall be sent under a registered cover unless the court otherwise directs.

Final settlement of list of contributories

56 (*a*) On the day appointed for settlement of the list of contributories the official liquidator shall hear any person who objects to being settled as a contributory and after such hearing shall finally settle the list, which, when so settled, shall be the list of contributories of the company

(*b*) The official liquidator may from time to time vary or add to the list of contributories, but any such variation or addition shall be made in the same manner in all respects as the settlement of the original list.

Notice to persons finally placed on list of contributories.

57 The official liquidator shall forthwith give notice to every person whom he has finally placed on the list of contributories, stating in what character and for what number of shares or interest he has been placed on the list and what amount has been called up and what amount paid up in respect of such shares or interest, and in the notice inform such person that any application for removal of his name from the list or for a variation of the list must be made to the court within 30 days from the date of the service on the contributory or alleged contributory of notice of the fact that his name is settled on the list of contributories.

Time limit for objections
Official liquidator not liable for costs

58. (*a*) Subject to the power of the court to extent the time, or to allow an application to be made notwithstanding the expiration of the time limited for that purpose, no application to the court by any person who objects to the list of contributories as finally settled by the liquidator shall be entertained after the expiration of 30 days from the date of the service on such person of notice of the settlement of the list

(*b*) The official liquidator shall not in any case be personally liable to pay any costs of or in relation to an application to set aside or vary his act or decision settling the name of a person on the list of contributories of a company.

Sales of property.

59. Any movable or immovable property belonging to the com-

pany may be sold with the approbation of the Court in the same manner as in the case of a sale under a decree or order of the Court in a suit, or, if the Court shall so direct, by the official official liquidator, in which case the conditions or contracts of sale shall be settled and approved of by the Court unless it shall otherwise direct; and unless on account of the small amount of the purchase money or other cause, it shall, be thought proper that the purchase-money shall be paid to it, all conditions and contracts of sale shall provide that the purchase-money shall be paid by the respective purchasers into the Government Treasure, or the Imperial Bank of India to the account of the official liquidator of the company, or in the case of a District Court, into that Court.

Calls.
Summons for Call.

60. Every application to the Court to make any call on the contributories or any of them, for any purpose authorized by the said Act, shall be made by summons in Chambers, stating the proposed amount of such call: and such summons shall be served four clear days at the least before the day appointed for making the call on every contributory proposed to be included in such call, or if the Court shall so direct, notice of such intended call may be given by advertisement or such other public notification as the Court in its discretion may think sufficient. (Forms Nos. 37, 38 and 39).

Document making the call

61. When the official liquidator is authorized by order to make a call on the contributories he shall file in Court a document in Form No. 41 with such variations as circumstances may require making the call.

Enforcement of Call

62. The payment of the amount due from each contributory on a call may be enforced by order of the Court, to be made on an application by the official liquidator, and may, be executed as if were a decree for money. (Forms Nos. 42 and 43).

Service of Order.

63. When any order for a call has been made a copy thereof shall forthwith be served upon each of the contributories included in such call, together with a notice from the official liquidator specifying the amount or balance due from such contributory, having regard to the provisions of the Act in respect to such call; but such order need not be advertised unless for any special reason the Court shall so direct. (Forms No. 40 and 41).

Penalty for failure to deposit moneys realised by official liquidators.

64. Where any official liquidator shall not pay all the moneys received by him into the Government Treasury, or the Imperial Bank of India or, in the case of a District Court, into that Court, to the account of the official liquidator of the company, within seven days next after the receipt thereof, unless the Court shall have otherwise directed, such official liquidator shall be charged in

his account with rupees ten for every thousand rupees and a proportionate sum for any larger amount retained in his hands beyond such period for every seven days during which the same shall have been so retained and the Court may, for any such retention disallow the salary or remuneration of such official liquidator.

Bills, etc., to be deposited into Government Treasury, Bank or District Court.

65. All bills, *hundies*, notes, and other securities payable to the company, or to the official liquidator thereof, shall, unless the Court otherwise directs, as soon as they shall come to the hands of such official liquidator, be deposited by him in the Government Treasury, or the Imperial Bank of India or, in the case of a District Court, in that Court, for a purpose of being presented for acceptance and payment, or for payment only, as the case may be.

Calls, etc., to be paid into Government Treasury, Bank or District Court.

66. All orders for payment of calls, balances or other moneys due from any contributory or other person shall direct the same to be paid into the Government Treasury, or the Imperial Bank of India or, in the case a District Court, into that Court, to the account of the official liquidator of the company unless, on account of the smallness of the amount or other cause, it shall be thought proper to direct payment thereof to the official liquidator: provided that where any such order has been made directing payment of a specific sum into the Government Treasury, or the Imperial Bank of India or, in the case of a District Court, into that Court, as aforesaid, in case it shall be thought proper for the purpose of enabling the official liquidator to issue execution or take other proceedings to enforce the payment thereof, or for any other reason, an order may, either before service of such former order or after the time thereby fixed for payment, be made, with notice for the payment of the same sum to the official liquidator.

Notice as to mode of payment.
Certificate of payment.

67. At the time of the service of any order for payment into the Government Treasury, or the Imperial Bank of India or into a District Court as aforesaid the official liquidator shall give to the party served a notice to the purport or effect set forth in Form No. 44 for the purpose of informing him how the payment is to be made, and before the time fixed for such payment the official liquidator shall furnish the cashier of the Government Treasury, or the Imperial Bank of India, or in the case of a District Court the nazir thereof, with a certificate to the purport or effect set forth in Form No. 45 to be signed by such cashier or nazir as the case may be and delivered to the party paying in the money therein mentioned.

Affidavit of non-payment.

68. For the purpose of enforcing any order for payment of money into the Government Treasury, or the Imperial Bank of India or, in the case of a District Court, into that Court, and affidavit

of the official liquidator to the purport or effect set forth in Form No. 47 shall be sufficient evidence of the non-payment thereof.

Title of account in the treasury, bank or court.

69. All moneys, bills, *hundies*, notes, and other securities, paid and delivered into the Government Treasury, or, the Imperial Bank of India or, in the case of a District Court, into that Court, shall be placed to the credit or account of the official liquidator of the company; and orders for any such payment and delivery shall direct the same accordingly. (Form No. 22).

Method of delivery of securities, etc., and payment of moneys to official liquidators.

70. All bills, *hundies*, notes, and other securities delivered into the Government Treasury, or the Imperial Bank of India or, in the case of a District Court, into that Court, shall be delivered out upon a request signed by the official liquidator and such other person, if any, as the Court may direct; and the moneys placed to the account of the official liquidator shall be paid out upon such cheques or order signed by the official liquidator and such other person, if any, as the Court may direct (Form No. 22).

Investment

71. All or any part of the money for the time being standing to the credit of the account of the official liquidator at the Government Treasury, or the Imperial Bank of India or, in the case of a District Court, in that Court, and not immediately required for the purpose of winding-up may be invested in the purchase of Government promissory notes in the name of the official liquidator. All investments of moneys in the Government Treasury, or the Imperial Bank of India shall be made by the Government Treasury or the Imperial Bank of India upon a request signed by the official liquidator and countersigned by the Court unless the Court otherwise directs; and all investments of moneys standing to the credit of the account of the official liquidator in a District Court shall be made upon a request signed by the official liquidator and addressed to such Court such request, respectively, shall be sufficient authority for debiting the account with the purchase-money, and such Government notes shall be retained by or deposited with the Government Treasury, or the Imperial Bank of India or by or with the said District Court in the name and on behalf of the official liquidator, and such notes shall not afterwards be sold or transferred or otherwise dealt with except upon direction for that purpose signed by the official liquidator, and counter-signed by the Court or under an order made by the Court (Forms Nos. 48 and 49).

Receipts of dividends

72. Subject to any special order which the Court may make, all dividends and interest to accrue due from any such notes shall from time to time be received by the Government Treasury, or the Imperial Bank of India under a power of attorney to be executed by the official liquidator, and placed to the credit of the account of such official liquidator, and when any of such notes shall become

payable the same shall be renewed or the principal and interest due thereon be received and placed to the credit of the account of the official liquidator.

Meetings of creditors or contributories
Notice

73 Where the Court shall direct a meeting of the creditors or contributories of the company to be summoned under section 239 of the Act, or where the official liquidator, either of his own motion or at the direction or request of the creditors or contributories under section 183 of the Act, shall summon such a meeting, he shall give notice in writing seven clear days before the day appointed for such meeting, to every creditor or contributory of the time and place appointed for such meeting of the matter upon which it is desired to ascertain the wishes of the creditors or contributories, or where the Court shall so direct, such notice may be given by advertisement in the daily papers, in which case the object of the meeting need not be stated and it shall not be necessary to insert such advertisement in the *Local Government Gazette* (Form No. 50).

Memorandum testifying direction of court to call meeting. Chairman of meeting called by official liquidator.

74 The direction of the Court for any meeting of creditors or contributories under section 239 of the Act and the appointment of a person to act as Chairman of any such meeting shall be testified by a memorandum signed by the Registrar or Munsarim of the Judge's Court as the case may require or by or under the direction of the Judge. In the case of a meeting summoned by the official liquidator under section 183 of the Act he, or some one nominated by him, shall be Chairman (Form No. 51).

Votes
Chairman's Report

75 The votes of the creditors or contributories of the company at any meeting summoned in accordance with Rule 73 may be given either personally or by proxy but no creditor shall appoint a proxy who is not a creditor of the company, whose debt or claim has been allowed and no contributory shall appoint a proxy who is not a contributory of the company (Form No. 52).

The Chairman of a meeting summoned by the direction of the Court shall report the result thereof to the Court. (Form No. 53).

Sanction to bills of exchange etc

76 The sanction of the Court to the drawing, accepting, making and endorsing of any bill of exchange, *hundi* or promissory note by any official liquidator shall be testified by a memorandum on such bill of exchange, *hundi* or promissory note signed by the Court, or by the Registrar or Munsarim of the Judge's Court as the case may require under the direction of the Court. (Form No. 54).

Sanction of Court on compromise

77 Every application for the sanction of the Court to a compromise with any contributory or other person indebted to the

company shall be supported by the affidavit of the official liquidator stating that he has investigated the affairs of such contributory or person, and believes that the proposed compromise will be beneficial to the company, and giving his reason for such belief; and the sanction of the Court thereto shall be testified by a memorandum signed by the Court or by the Registrar or Munsarim of the Judge's Court as the case may require under the direction of the Court, on the agreement of compromise, unless any party shall desire to appeal from the decision of the Court, in which case an order shall be drawn up for that purpose. (Form Nos. 55 and 56).

Sanction in case under section 179.

78. The direction or sanction of the Court for any proceeding or act to be taken or done by the official liquidator under the powers conferred on him by section 179 shall (subject to the provisions of section 180 of the Act) be obtained upon application in writing and an order shall be drawn up thereon, unless the Court shall otherwise direct. (Form No. 57).

Application to the Court under section 183, 207, 212, 215 and 237 of the Act, how made.

79. Every application shall be made by petition.

Insertion of advertisements

80. When advertisement is required for any purpose, except where otherwise directed by these Rules, the advertisement shall be inserted once in the *Local Government Gazette* and in such other newspaper or newspapers, and for such number of times as may be directed The Court, however, may, in such cases as it shall think fit, dispense with any advertisement required by these rules.

Affidavits and office copies of affidavits, after an order for winding-up.

81. Where an order shall have been made for the winding-up of any company, any person intending to use any affidavit in any proceeding under such order, shall file the same in Court, and serve a copy thereof on the official liquidator The person other than the official liquidator filing the affidavit shall not be required to take an office copy thereof, but an office copy thereof shall be taken by the official liquidator, and he shall produce the same at the hearing of any application or proceeding upon which it is intended to be used unless the Court shall otherwise direct

Register of proceedings.

82. A register shall be kept by the Court of all proceedings in each matter in a book set apart for that purpose.

Provisional official liquidator.

83. All the above rules relating to official liquidators shall, so far as the same are applicable and subject to the directions of the Court or the Judge in each case, apply to provisional liquidators.

Attendance and appearance of parties.

84. No order to the prejudice of contributories or creditors shall be made *ex parte* on the application of the official liquidator and every person for the time being on the list of contributories of the company filed in Court by the official liquidator, and every person having a debt or claim against the company allowed by the Court shall be at liberty at his own expense to attend the proceedings before the Court, and shall be entitled upon payment of the costs occasioned thereby to have notice of all such proceedings as he shall by written request desire to have notice of, but if the Court shall be of opinion that the attendance of any such person upon any proceeding has occasioned any additional costs which ought not to be borne by the funds of the company he may direct such costs, or a gross sum in lieu thereof, to be paid by such person, and such person shall not be entitled to attend any further proceedings until he has paid the same.

Appointment of representative party.

85. The Court may from time to time appoint any one or more of the contributories or creditors as it thinks fit to represent before it at the expense of the company all or any class of the contributories or creditors upon any question as to a compromise with any of the contributories or creditors, or in and about any other proceedings before him relating to the winding-up of the company, and may remove the person or persons so appointed. In case more than one person shall be so appointed they shall unite in employing the same vakil, pleader, or attorney to represent them

Appearance to be filed before attendance.

86. No contributory or creditor shall be entitled to attend any proceedings before the Court unless and until he has filed an appearance with the Registrar or Munsarim of the District Judge's Court as the case may require. A book to be called the Appearance Book shall be kept in which all such appearances shall be entered. (Form No. 58).

Service of summonses, notices, etc.
Service how effected.

87. Services upon contributories and creditors shall be effected, except where personal service is required, by sending the notice, or a copy of the petition, summons or order or other document through the post in a registered letter, addressed to the vakil, pleader or attorney (if any) of the party to be served or otherwise to the party himself, if a contributory, to his last-known address or place of abode, and if a creditor, to the address given by him pursuant to Rule 45 and such notice or copy, petition, summons, order, or other document shall be considered as served at the time the same ought to be delivered in due course of delivery by the Post Office, and notwithstanding the same may be returned by the Post Office.

Service not invalid when name of person incomplete.

88. No service under these rules shall be deemed invalid by

reason that any name other than the surname of the person (if the said person be a European) or any name other than the final name ordinarily used by the person (being other than a European) on whom service is sought to be made has been omitted, or designated by initial letters, in the list of contributories or in the petition, summons, order, notice, or other document, wherein the name of such contributory or creditor is contained, provided the Court is satisfied that such service is in other respects sufficient.

Transfer of winding-up from High Court to District Court under section 164 and 165 of the Act

89. Applications for the transfer of winding-up proceedings either from the High Court to a District Court, or from one District Court to another, as the case may be shall be made by petition which shall be filed in Court Upon the filing of such petition as aforesaid the Court shall give such orders and directions and direct that an advertisement thereof be made as the nature of the case may require, and shall fix a date for the hearing of such petition

Order for transfer.

90 Where the petition in the last preceding rule has been heard and an order thereon passed by the Court, the Court shall thereupon make an order for transferring the winding-up proceedings (Forms Nos. 59 and 60).

Termination of winding-up proceedings.

91 Upon the termination of the proceedings for the winding-up of any company, a balance-sheet shall be brought in by the official liquidator of his receipts and payments, and verified by his affidavit, and the official liquidator shall pass his final account, and the balance (if any) due on the final account shall be certified by the court, and upon payment by the official liquidator of the balance (if any) in such manner as the Court shall direct, the recognizances entered into by the official liquidator and his sureties may be vacated. (Form No 62)

Dissolution of company

92. Where the official liquidator has passed his final account, and the balance (if any) due thereon has been paid in such manner as the Court shall direct, the official liquidator shall, in case the company has not been already dissolved, apply to the Judge for an order that the company be dissolved from the date of such order. (Form No. 63).

Deposit of proceedings in Court

93. When the proceedings for winding-up any company have been completed, the file of proceedings and the book containing the official liquidator's account shall be deposited in the records of the Court.

Notice by liquidator in voluntary winding-up of his appointment

94. The liquidator in a voluntary winding-up shall, within 21 days after his appointment, file with the Registrar of Joint Stock

Companies a notice of his appointment as required by section 208 of the Act.

Time for filing liquidator's statements, and regulations applicable thereto.

95. The statements with respect of the proceedings in and position of the liquidation of a company, the winding-up of which is not concluded within a year after its commencement, shall be filed with the Registrar twice in every year as follows:—

(1) The first statement, commencing at the date when a liquidator was first appointed and brought down to the end of 12 months from the commencement of the winding-up, shall be filed within 30 days from the expiration of such 12 months; and the subsequent statements shall be filed at intervals of half a year, each statement being brought down to the end of the half year for which it is filed.

(2) Form No. 65, with such variations as the circumstances may require, shall be used.

(3) Every statement shall be verified by affidavit in Form No. 66.

Liquidator's statements in voluntary liquidations.

96. The statements required by section 216 of the Act to be laid before the general meetings of a company, the voluntary winding-up of which continues for more than one year, shall, with such variations as circumstances may require, be in the same form and contain the same particulars as the statements mentioned in Rule 95.

Forms.

97. The forms set forth in the first schedule, with such variations as the circumstances of each case may require, may be used for the respective purposes mentioned in such schedule.

Duties of attorney, etc., of official liquidator.

98. The vakil, pleader or attorney of the official liquidator shall conduct all such proceedings as are ordinarily conducted by vakils, pleaders or attorneys; and where the attendance of his vakil, pleader or attorney is required on any proceedings in Court, the official liquidator need not attend in person, except in cases where his presence is necessary in addition to that of his vakil, pleader or attorney or the Court shall direct him to attend.

Fees.

99. Vakils, pleaders, and attorneys shall be entitled to charge and be allowed the fees set forth and referred to in the second schedule to these rules (so far as the same are applicable) unless the Court shall otherwise specially direct.

Taxation of costs.

100. Where an order is made by the High Court for payment of any costs, the order shall direct the taxation thereof by the taxing officers; except in cases where a gross sum in lieu of taxed costs is fixed by the order.

General power of Court.

101. The power of the Court to enlarge or abridge the time for doing any act, or taking any proceedings, to adjourned or review any proceeding, and to give any direction as to the course of proceeding, is unaffected by these rules.

Accounts, etc., to be filed.

102. All accounts, lists, notices, and other documents directed by these rules to be filed in Court shall be filed in the office of Registrar or munsarim of the District Judge's Court as the case may require.

Definition.

103. The expression "Court" where the context so admits shall mean and include the Judge or Bench of Judges dealing with the application or matter.

General practice to apply.

104. In cases not provided for by these rules or by rules of procedure laid down in the Act, the practice and procedure of the High Court of Justice in England in matters relating to companies shall be followed so far as they are applicable and not inconsistent with these rules and the Act.

Affidavits and attorneys.

105. In all cases in which by law a person may make a solemn affirmation instead of an affidavit, the word affidavit in these rules shall be deemed and taken to mean a solemn affirmation; and in proceedings in Courts other than the High Court on its original jurisdiction side, the word attorney in these rules shall be deemed and taken to mean any legal practitioner of higher grade than a mukhtar or revenue agent.

Application of rules.

106. These rules apply to proceedings under the Indian Companies Act, 1913; as to winding-up proceedings continued under the Indian Companies Act, 1882, in pursuance of section 284 of the Act, the same shall be regulated by the rules made under the Indian Companies Act, 1882, which rules, for the purpose of such winding-up, shall be deemed to remain in full force.

THE FIRST SCHEDULE.

FORMS (COMPANIES RULES)

(See Allahabad High Court General Rules (Civil), Vol. II, Appendix 4—(cc).).

THE SECOND SCHEDULE.

Fees and charges to be allowed to Vakils, Pleaders or Attorneys.

(Rule 99.)

For attending any summons or other application ..	Rs.	10
Or where from the length of the attendance or the difficulty of the case, the Judge shall think this fee an insufficient remuneration for services performed, such fee as the Judge may allow to the vakils, pleaders or attorneys by a memorandum in writing expressly made for that purpose and signed by the Judge specifying distinctly the ground of such allowance	„	..
For notice and services where the service may be effected as provided by rules	„	1
For other duties performed, such of the fees authorized by the rules and regulations of the High Court as to vakils, pleaders or attorney's fees as are applicable	„	..

MISCELLANEOUS PRECEDENTS.

PRECEDENT OF AGREEMENT OF SOLE SELLING AGENCY OF THE GOODS OF A COTTON MILLS.

ARTICLES OF AGREEMENT made the.....day of..... One thousand nine hundred and.....BETWEEN THE A. B. C. Co., Ltd., a Joint Stock Company incorporated and registered under the Indian Companies Act 1913 and having their registered office in.....(hereinafter unless otherwise designated referred to as "The Company") of the one part and X and Y both of.....Inhabitants carrying on business in co-partnership under the name style and firm of X. Y. & Co. (hereinafter unless otherwise designated referred to as "the firm" in which expression are intended to be included the survivor of them wherever the context shall so require or admit) of the other part WHEREAS the Company are the owners of the Mills at.....in the .....known as the D Mills AND WHEREAS for many years past Messrs. M. & Co., have been the sole selling agents for the manufactures of the said D Mills in certain territories assigned to them in India AND WHEREAS the Company have determined on terminating the employment of the said M. & Co., as such sole selling agents as from the.....day of.....and appointing the Firm to be the sole selling agents for the manufactures of their said D Mills for the territories in which the said M. & Co., have hitherto acted as the sole selling agents of the Company therefor and otherwise on the terms and conditions hereinafter mentioned NOW IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:—

1. The Company hereby appoint the firm and the firm hereby agree to be and act as the sole selling agents for the manufactures (excepting sewing thread) of the Company's said D Mills (hereinafter referred to as "the Company's goods") for the territories for which at the date of the termination of their employment the said M. & Co., were acting as the sole selling agents for the manufactures of the Company's said D Mills and for such other and further territories as may hereafter with the consent of the firm from time to time be by the Company assigned to them for the term of..... years from the.....day of..... subject to the right of determining the same earlier hereinafter reserved to the Company on the terms and conditions hereinafter contained and in consideration of such appointment the firm hereby guarantee to the Company payment pursuant to the stipulations of this Agreement for the Company's goods sold through or by them.

2. The firm shall at their own expense acquire or take over from the said M. & Co., the shops in which the Company's business was immediately prior to the termination of their employment done by them at.....The firm shall at their own expense maintain the said shops and establish and maintain all such shops as may be mutually agreed to between the firm and the Company and shall at their own expense employ in each shop such managers munims salesmen and other servants as shall be

necessary to carry on the selling agency of the Company in an expeditious, efficient and businesslike manner. PROVIDED HOWEVER that the firm shall not be responsible for any liabilities or obligations in respect of the Company's goods or the expenses of the said shops—prior to the said.....day of.....

3. The firm shall on all their commercial documents and on the name plates and other indicia of such place of business of theirs describes themselves as Selling Agents for the Company and shall not describe themselves as the Company's agents except in conjunction with the word Selling.

4. The firm shall not make purchases on behalf or in any way pledge the credit of the Company without the Company's consent in writing.

5. The firm shall make sales of the Company's goods by securing indents from or making forward contracts with merchants on behalf of the Company such indents or contracts being subject to the approval and acceptance of the Company or their Managing Agents or the Manager of the said D Mills or any other officer of the Company for the time being authorised in this behalf. The firm shall also sell by wholesale or retail the Company's goods which the Company may from time to time deliver to the firm for the purpose of sale on consignment account as hereinafter provided.

6. The partners of the firm shall during the continuance of this agreement devote the whole of their energies and business time and use their best endeavours to promote and secure the greatest possible sale of the Company's goods and shall in all matters act diligently loyally and faithfully to the Company and shall obey the orders and instructions of the Company and the person or persons from time to time authorised to issue orders and instructions on their behalf and shall not during such period as aforesaid sell cloth yarn or other manufactures of any other Mills save and except cloth yarn and other manufactures of other Mills under the agency of Messrs. G. & Co.

7. The firm shall responsible for all negligence, mistakes and defaults of their assistants, managers munims and other servants and employees and agree to make good to and indemnify the Company against all losses damages and expenses the Company may be put to or incur by reason of or in connection with any and every error mistake negligence dishonesty of any assistant, manager, munim or other servant or employee of the firm.

8. Neither the firm nor any member thereof nor any assistant, munim, manager, or other employee of theirs shall during the subsistence of this agreement purchase the Company's goods on their or his account or be concerned or interested directly or indirectly with any person firm or company in the purchase of the Company's goods but shall at all times and in all transactions act only as the agents of the Company for the sale of the Company's goods to third parties as hereby provided and if it shall be brought to the notice of the firm that any assistant, munim, manager or other employee of theirs has purchansed the Company's goods on his own account or is concerned or intereested either directly or indirectly with any person firm or Company in the purchase of any such goods the firm shall immediately dismiss such assistant munim, manager or employee.

9. The firm shall pay to the Company at their D. Mills at

Nagpur in cash the price of all the Company's goods sold under indents or contracts made through them (except yarns sold for delivery ex-godown at the different shops of the firm) on delivery of the goods from the said D. Mill premises after deducting there from ¼ per cent. of the net invoice price thereof to compensate them for delay in recovering the prices from their constituents.

10. As regards yarns sold under indents or contracts for delivery ex-godowns at the different shops of the firm the firm shall pay to the Company in advance at their said D. Mills at.....on delivery of such yarns from their said D. Mills premises on the amount equivalent to the net invoice of the yarn so delivered on account of the prices payable by the firm to the Company as hereinafter provided. The Company shall bear and pay the expenses incurred in connection with the delivery of such yarn at the godowns of the different shops of the firm to which the same shall be consigned. On the last day of each and every month the firm shall credit the Company with the prices of all such yarns delivered from their godowns during that month and the amount so credited shall carry interest at the rate of 6 per cent. per annum. The firm shall on or before the 15th day of each and every month furnish the Company in statement of particulars of sale effected from consignment stock mentioned in next clause 11 hereof full clear and correct statements giving full particulars of the deliveries made of such yarn from the different godowns of the firms shops during the last preceding month

11. Except as hereinafter provided the firm shall not be liable to the Company for the price of those portions of the Company's goods of which delivery is not taken by the buyers under any indent or contract made through the firm but the firm shall on the Company's request render all possible assistance and do their best on behalf of the Company to recover from such buyers the price interest insurance charges godown rent and other charges in respect of such goods or damages for breach of contract PROVIDED ALWAYS that after any of the Company's goods sold under any indent or contract made through the firm (exclusive of yarns sold for delivery ex-godown at different shops of the firm) are delivered from the said D. Mill premises the firm shall be liable to the Company for the price thereof in the same manner and to the same extent as if delivery of such goods had been taken by the buyers under such Indent or Contract. In respect of yarns sold for delivery ex-godown at different shops of the firm. the liability of the firm for the price thereof shall arise upon the delivery of such yarns to buyers.

12. If the firm shall fail to pay on delivery to the Company in cash the price of the Company's goods sold under any indents or contracts made through them the Company shall whether the price of such goods or any part thereof shall have been recovered by the firm from the buyers or not be entitled without prejudice to their other rights and remedies and they are hereby by the firm authorised at the option of the Company to refuse or delay delivery of such goods to the buyers and notwithstanding anything contained in these presents the firm shall be responsible to the Company for all claims whether by way of damages or otherwise that may be made by the buyers owing to the said non-delivery or late delivery and all costs charges and expenses that may be incurred in connection with such claims and the firm hereby agreed to indemnify and keep

harmless the Company against all such claims actions suits proceedings costs charges and expenses that may be made or taken against or be incurred by the Company by reason of or in connection therewith.

13. The firm shall stock at their different shops for sale on consignment account such stocks of the Company's goods as shall from time to time be necessary in the interest of the Company for them to keep at the different shops and shall sell the same at the best prices obtainable therefor not being less than the prices which shall from time to time be fixed by the Company. The firm shall from time to time as and when such stocks of the Company's goods are delivered to them by the Company at their D Mills premises forthwith pay to the Company in cash at their said Express Mills in advance the current book prices of the goods so delivered on account of the prices payable by the firm to the Company as by these presents provided in respect of the goods sold by the firm out of the said consignment stock. The Company shall bear and pay all expenses incurred in connection with the delivery of such consignment goods at the firm's shops. The property in the goods delivered to the firm on consignment account shall remain in the Company so long as such goods remain unsold by the firm On the last day of each and every month the firm shall credit the Company with the net prices of all goods delivered from consignment stock during that month, and the amount so credited shall carry interest at the rate of 6 per cent per annum. The firm shall on or before the fifteenth day of each and every month furnish the Company a full clear and correct statement giving full particulars of the sales effected and the deliveries made of the Company's goods from the consignment stock during the last preceding month and the prices at which such sales were made and such other particulars as the Company may from time to time require to be included in such statements. If the firm shall sell any of the Company's goods than delivered to them for sale on consignment account at prices lower than the prices fixed by the Company as hereinabove provided the firm shall make good to and shall pay forthwith to the Company the defference between the prices so fixed and the prices realised, and the Company shall without prejudice to their other rights and remedies be entitled to deduct such differences from any allowances or money which may be payable by the Company to the firm or at the option of the Company from the deposit kept with the Company by way of security as hereinafter referred to. For the purposes of clause 22 hereof such payment or deduction shall be deemed to be part of the price realised on sale.

14. All expenses of sale of the Company's goods delivered to the firm for sale on consignment account shall be borne and paid by the firm save and except that the Company shall bear and pay only such trade allowances as are actually allowed by the firm to the buyers according to the custom of the market at the places where such goods are sold.

15. The firm shall keep all usual and proper books of account of and concerning the Company's goods which shall from time to time be delivered to them by the Company for sale on consignment account and shall enter therein full particulars of the sales thereof and of all moneys received by the firm in respect of the same and all other matters transactions and things which are usual in this behalf and

also those which the Company may from time to time direct and the said books of account and all letters orders vouchers and other writings relating to the sale of such goods shall be carefully preserved (damages by fire or inevitable accident excepted) and kept at their shops and shall at all reasonable times be open to the inspection of the Company or any person or persons authorised by the Company in that behalf who shall have and be given full liberty and facilities to take copies of or extracts from the same or any of them.

16. The firm shall whenever required by the Company from time to time submit to them a full and complete statement giving particulars of the consignment stock then in each shop and godown disinguishing the goods sold and unsold.

17. The firm shall fulfill the orders of their constituents by appropriating in satisfaction of such orders such goods of the class ordered as have been longest in stock.

18. After the Company's goods shall have been delivered to the firm at the firm's shops or godowns all responsibility for the safe custody and proper care of the goods shall rest with the firm and the firm shall until delivery to the purchasers carefully deposit and preserve in the shops or godowns for the time being made use of for the purposes of the said agency business all such goods and shall be liable to make good to the Company all loss or damage that may be caused to such goods except such loss or damage thereto as may be caused by fire, earthquake or riots and shall also account to and pay the Company for all damage deficiency and shortage at the prices fixed by the Company. The Company shall not be liable for any loss or damage to goods delivered to the firm under indents or contracts after the railway receipts for the same are delivered to the firm at.....

19. The firm shall permit the Company their agents and any person or persons appointed by the Company in that behalf at all reasonable times to enter into and upon any of the firm's shops or godowns or business premises and inspect check and take written particulars of the stocks lying therein and the condition thereof and shall also furnish to them such information and explanations as may be required.

20. The firm shall not at any time mortgage charge or pledge any goods of the Company or any portion thereof or deal with the same otherwise than as hereby provided but shall at all times hold the same at the order and disposition of the Company. The firm shall whenever called upon so to do return to the Company at the Company's cost and unsold stock of the Company's goods that the Company may call upon them to return. Against return of the goods to the Company's Mills at.....the Company shall refund to the firm book prices of such goods actually paid in advance in cash under clause 13 hereof. If the firm shall fail or neglect to return or despatch the goods so called back or any portion thereof within 15 days of demand the Company shall be entitled without prejudice to their other rights and remedies at their option to debit the firm with the book prices of the goods demanded back and not returned current on the day on which the debit shall be made and thereupon the property in such goods shall pass to the firm.

21. In order to facilitate and promote the business of the Company the firm shall on sales of goods whether from consignment stocks or under indents or contracts give such credit as may be

customary at the place of sale to substantial responsible and trustworthy parties. The Company shall not be responsible for any loss the firm may suffer through the grant of such credit.

22. In consideration of the services to be rendered by the firm to the Company and of the firm agreeing to pay to the Company the prices of the Company's goods as herein provided, the firm shall be remunerated by the Company as follows:—

> The Company shall set aside by way of gross commission out of the sale proceeds of the Company's goods sold by the firm and paid for in full to the Company. 1 per cent. on the gross sale proceeds of yarns. 1½ per cent. on the gross sale proceeds of all grey cloths excluding cloths containing coloured warp or weft but including all dhoties and saries of all kinds with borders under 2 inches.
> 2½ per cent. on the gross sale proceeds of other cloths.

An account totalling up the gross commission so set aside shall be made up as on the 30th day of June, and the 31st day of December, in each and every year and shall be paid to the firm as their agency remuneration.

23. The firm shall not be entitled to any remuneration beyond the agency remuneration hereinabove provided for and they agree to give credit to the Company for all allowances that may be received or paid by the buyers of the Company's goods from or through them provided however that the firm shall be entitled to receive and retain for their own benefit the godown rent delivery charges and similar other charges in respect of the goods sold and interest which the firm may charge to the purchaser for deferred delivery.

24. Within one month from the 30th day of June, and the 31st day of December, in each and every year from the commencement of this agreement the firm shall render to the Company a full account showing (*a*) the goods sold by the firm during the last preceding six months on consignment account (*b*) the goods remaining unsold out of the consignment stock (*c*) the goods sold by the firm during the last preceding six months under Indents or Contracts (*d*) the yarn delivered from the godowns of the different shops of the firm (*e*) the actual amounts paid or payable by the firm to the Company as the price of goods sold during the said period (*f*) all sums due by the firm to the Company for damage deficiency or shortage of goods delivered to them on consignment account or on any other account (*g*) the amount due and payable by the Company to the firm in respect of the above said agency remuneration. The said account shall be settled within fifteen days thereafter and the amounts found due from either party to the other shall be paid up forthwith provided that nothing contained in this clause shall affect the liability of the firm to make payments to the Company earlier as otherwise provided in the other clauses of these presents.

25. Each of the parties hereto agrees to pay to the other of them interest at the rate of 6 per cent. per annum on all sums due by each of them to the other from the date on which the same shall fall payable under the terms of this agreement upto the date of payment.

26. The firm shall on or before the.....day of..... deposit with the Company Government securities of the cash value

calculated as hereinafter mentioned of Rs.....(Rupees.....) as security for the due fulfilment and carrying out by the firm of the provisions thereof and of their obligations hereunder and the Company shall without prejudice to their other rights and remedies be entitled at their discretion at any time or times to sell such securities and such further securities as may be deposited by the firm with the Company as hereinafter provided or any portion or portions thereof and apply the net sale proceeds in or towards the payment of any moneys whatsoever which may at any time or times be due or owing to the Company by the firm under or by virtue of this agreement but not otherwise. The cash value of the said securities for the purpose of this clause shall be deemed to be and taken at only 95% of the current market value from time to time of such securities and the firm shall on demand by the Company in case of depreciation in value of such securities or any of them make good the deficiency by depositing with the Company further Government securities as may be required to bring up and maintain the cash value of the said deposit at the said figure of Rs..... (Rupees.....) at all times the cash value of such further securities also to be deemed to be and taken at only 95% of the current market value of such securities from time to time. The securities as to be deposited with the Company shall be transferred by the firm at their own expense to the name of the Company and the Company shall recover the interest and income in respect thereof at the expense of the firm and credit the net interest or income recovered to the firm. If and whenever the firm shall fail within 48 hours of any demand by the Company to make good the deficiency by depositing the difference in further securities aforesaid or if and whenever the Company shall under or by virtue of these presents become entitled to apply for the Company's own use the said deposit or any part thereof then and in every such case the Company shall be at liberty at their descretion at any time or times without prejudice to their other rights and remedies and without any notice and without in any way being liable to the firm for any loss or damage that may thereby be caused to the firm to sell off all or such portion or portions of the said securities for the time being held in deposit as the Company may think fit and at the Company's option either hold the net sale proceeds in cash as security for the purposes aforesaid or utilise the same or such portion thereof as may be necessary in or towards the payment of any moneys whatsoever which at any time or times may be due or owing to the Company by the firm under or by virtue of these presents.

27. Either party may terminate this agreement after the expiration of the.....day of.....19. ..by giving to the other six month's notice in writing.

28. Without prejudice to any remedy the Company may have against the firm for breach or non-performance or non-observance of this agreement or any of the terms thereof the Company shall have at their option the right to summarily terminate this agreement.

(1) On the firm failing to perform or observe or committing a breach of any of the terms or provisions of this agreement,

(2) on dissolution of the firm,

(3) if the firm or any member thereof shall commit an act of insolvency or become or be adjudicated—insolvents or an insolvent or enter or enters into a composition with their or his creditors or be guilty of misconduct,

(4) if the firm be in the opinion of the Directors of the Company unfit or incapable of fulfilling satisfactorily, their duties and obligations hereunder which opinion of the Directors of the Company shall be final.

And on the Company exercising the said right to terminate the said agreement this agreement shall *ipso facto* become null and void but without prejudice to the respective rights and liabilities of their of the parties hereto secured upto the date of such termination.

29. On the termination of this agreement howsoever occasioned the firm shall forthwith deliver to the Company all the goods delivered or entrusted to them by the Company on consignment account then remaining unsold and unpaid for. All accounts shall be settled between the parties hereto within one month of such termination of this agreement and the amounts found due from one to the other shall be forthwith thereafter paid up.

30. The benefit of this agreement shall not without the consent in writing of the Company be assignable but the firm shall be at liberty on their own account to appoint such sub-agents as may previous to their appointment have been approved by the Company within the limits of the territories for the time being covered by these presents

31 In the event of any dispute or difference at any time arising between the parties hereto in respect of this Agreement or the construction thereof or the several matters specified therein or with reference to anything in anywise arising thereout or incidental thereto or concerning the carrying out or breach of this Agreement or any part thereof or touching any rights obligations or liabilities arising from this agreement such dispute or difference shall be submitted to and be decided by the arbitration or arbitrators in Bombay one to be named by each party to the dispute or difference which arbitrators shall appoint an Umpire in Bombay before taking upon themselves the burden of the reference and this agreement shall be deemed to be a submission to the arbitration of such arbitrators within the meaning of the Indian Arbitration Act 1899 and all the provisions of that Act or of any Act of the Legislature passed in substitution thereof or in modification thereof and for the time being in force shall be deemed to apply to any reference hereunder PROVIDED ALWAYS AND IT IS HEREBY AGREED AND DECLARED that the proceedings before the said Arbitrators and Umpire shall take place in Bombay and that they shall make and publish their Award in Bombay and file it in the Bombay High Court Subject as hereinabove provided and failing any such arbitration as aforesaid or so far as no such arbitration shall extend any suit or proceedings in respect of any of such disputes or differences as aforesaid capable of being tried and determined by a Court of Law notwithstanding the above provision for arbitration shall be filed or instituted in the proper Court in the Town and Island of Bombay alone and not elsewhere. Nothing herein contained shall

affect any right of appeal to any Superior Court outside Bombay from any decision of any Court in Bombay.

IN WITNESS WHEREOF the Common Seal of the said A. B. C.....Co., Ltd., has hereunto been affixed and the respective hands and seals of the said X. Y. & Co., have hereunto been set at Bombay aforesaid the day and year first hereinabove written.

AGREEMENT FOR THE APPOINTMENT OF GENERAL MANAGER AND CHAIRMAN OF THE BOARD OF DIRECTORS OF A COMPANY.

This Agreement made this.....day of.....between the.....Life Assurance Company, Limited, a Company incorporated under the Indian Companies Act 1913, hereinafter called "the said Company" of the one part and Mr. A. B. of....., hereinafter called the General Manager of the other part; Witnesseth that in consideration of the Agreement of the said Company hereinafter contained, he the said Mr. A. B. does hereby promise and agree to act as the Chairman of the Board of Directors and the General Manager of the said Company on the following terms and conditions:—

(1) That the said Mr. A. B. unless prevented by ill-health will faithfully and to the best of his ability perform the offices of the Chairman of the Board of Directors and General Manager for the purpose of carrying on to the best advantage the business of the said Company, as long as the said Company shall continue to carry on their respective business at the renumeration, upon the terms and subject to the conditions hereinafter particularly mentioned and described

(2) The said Mr. A. B. shall be the Chairman of the Board of Directors and General Manager for life from the date hereof or until he shall resign and during the said term devote the whole of his time, attention and abilities to the business of the company and shall obey (subject to the Articles and the powers and duties reserved hereunder) the orders from time to time of the Board of Directors of the Company and will use his best endeavour to promote the interest and business of the company and shall not divulge or make known any of the secrets or affairs thereof. The said General Manager shall be at liberty to resign the said office at any time upon giving to the company three calender months notice of his desire to do so.

(3) There shall be paid to the said General Manager a salary of Rs.....per mensem. The said salary shall commence from the date hereof.

(4) In addition to the aforesaid salary, the said General Manager. during his tenure of office aforesaid, shall be entitled to the undermentioned commissions, out of the net profits of the company in its Life Insurance business provided the said net profits are certified by a duly qualified actuary to be available for the purpose after making all provisions by way of reserve for Life Insurance Fund and after taking into account all expenses incurred paid or payable during the period under review. The said commission being payable after such review and after the preparation of the Revenue Account and Balance Sheet for the year or years for which the said commissions are ascertained. The said commissions shall be payable as follows:—

(1) Commission upto.....per cent. and not more on all first premiums received by the company and thereafter.
(2) Commission upto.....per cent. and not more on all renewal premiums received by the company.

(5) In case of resignation or death of the said General Manager there shall be paid to him or his heirs or assigns as the case may be during a period of not more than ten years after such resignation or death, a commission on renewal premiums as reserved in clause No. 4 aforesaid on Life Insurance Policies effected during the period for which the said General Manager was in active service of the Company.

(6) In case the company also undertakes the business of Fire, Marine or other branches of Insurance, the said General Manager shall be entitled to a commission of.....per cent. on all premiums received from year to year on such policies during the period for which the said General Manager was in active service of the Company.

ALTERNATIVE CLAUSE.

The following specimen clauses are given for being used in place of clauses 4, 5 and 6 in connection with companies doing business other than Life Insurance.

"Whenever the profits of the company made during the financial year or other period comprised in the accounts submitted to the ordinary general meeting in each year are more than sufficient to pay a dividend on the paid up capital of the company for such period at the rate of 5 per cent. per annum, the said....in addition to his salary aforesaid, shall be paid a sum equal to 25 per cent. of the excess. The certificate in writing of the company's auditor as to the amount of such excess or as to there being none shall be conclusive."

Where the General Manger is given a commission on or a share of profit as his remuneration, the arrangement should be expressly state and it is also desirable that the Auditor's Certificate should be made conclusive as to the amount of profit made during the period. The following form is suggested in such cases:—

"In addition to his salary aforesaid, the said..... shall be entitled to a commission of.....per cent. on the profits made during the financial year or other period comprised in the accounts submitted to each ordinary general meeting of the company."

(7) The General Manager shall have the engagement and dismissal of managers, clerks and assistants and the general direction, management and superintendence of the business of the Company and its business transaction books, papers, investment securities, stocks, fund, effects, property, affairs, and concerns with full powers to purchase and obtain all necessary things for the purpose of the Company and to all acts, manners and things deemed necessary, proper or expedient for carrying on the business and concerns of the Company. He shall have also the power to make such investments by loan or otherwise of the Company's funds upon such securities as the General Manager in consultation with the Board of Directors shall think fit, and to make and sign all such contracts and to

draw, accept, endorse and negotiate on behalf of the company all such bills of excange, promissory notes, hundies, cheques, drafts, Government Promissory Notes, and other Government paper and other instruments as shall be necessary to ask, demand, sue for and recovery in any Court of Law any sum of money or other assets due to and belonging to the Company and to institute proceedings civil or criminal for and on behalf of the Company, to relinquish compromise or withdraw such actions, to defend any action of proceeding, instituted against the Company, to refer any dispute to arbitration, to accept a part for the whole in settlement proper or expedient for the carrying on of the business of the Company, and to exercise all the powers, authorities and discretions of the Directors except only such of them as by the Companies Act for the time being in force are expressly directed to be exercised by the Board of Directors or by the shareholders in General Meeting. All money belonging to the Company shall be paid by the General Manager to such Bankers as the General Manager in consultation with the Board of Directors shall deem expedient and all receipts for money paid to the Company shall be signed by the General Manager or any other officer duly empowered by him whose receipts shall be an effectual discharge for the money therein stated to have been received. The General Manager in consultation with the Board of Directors shall also have power to pledge the credit of the Company and to raise or borrow any moneys for the purpose of the Company, to arrange for finance and to mortgage charge or hypothecate the immovable or movable property of the Company any portion thereof for the purpose of securing any such moneys or finance as aforesaid. The General Manager may delegate all or any of his powers to such Managers, Agents or other persons as he may see fit and shall have power to grant to such Managers, Agents or other deletages such powers of attorney as the General Manager may deem expedient and such powers at pleasure to revoke.

(8) The General Manager shall duly make, keep and file or cause to be made, kept and filed all such registers, returns, statements and accounts as under the provision of the Indian Companies Act 1913, and the Indian Life Assurance Companies Act 1912 are required to be made, kept and filed by the company or its officers and in particular shall comply with the provisions of the following sections of the said Act, Indian Companies Act 1913, *viz.*:—

(*a*) Section 31 of the said Act relating to keeping a register of the members of the Company.
(*b*) Section 32 relating to the making and filing with the Registrar of an annual list of members and summary of capital.
(*c*) Section 72 relating to giving notice to the Registrar of all changes in the Registered office of the Company.
(*d*) Section 73 relating to the publication of the name of the Company.
(*e*) Section 75 relating to the publication of the subscribed and paid up capital of the Company.
(*f*) Section 82 relating to the filing and publication of special and Extraordinary Resolution passed by the Company.
(*g*) Section 83 relating to the keeping of minutes of the proceedings of all General and Directors Meetings.

(*h*) Section 87 relating to keeping and filing with the Registrar a list of the Directors of the Company.

(*i*) Sections 109, 110, 111, 115 and 117 relating to the registration of mortgages and charges and sections 123 and 124 of the said Act, relating to the keeping and inspection of a register of all mortgages and charges affecting the property of the Company.

(*j*) Section 130 relating to keeping proper accounts of the affairs of the Company.

(*k*) Sections 131, 132, 133 and 134 relating to the preparation, auditing, publication, authentication and filing of the Company's balance-sheet.

INDIAN LIFE ASSURANCE ACT 1912.

(*l*) Section 7 relating to revenue account, a Profit and Loss Account, Balance Sheet and a statement of directors and Managers.

(*m*) Section 8 and 10 relating to actuarial reports and abstracts and a statement of life assurance business.

(*n*) Sections 11 and 12 relating to deposit of accounts, etc., and report with the Governor-General in Council.

Note—The sub-clause l, m and n are to be inserted on in case of Life Assurance Companies.

(9) The said General Manager shall have charge and custody of all the property, books of account, papers, documents and effects belonging to the said Company wheresoever situate and being.

(10) The General Manager shall keep proper and complete books of account of the dealings and working of the said Company and shall prepare and keep or cause to be prepared and kept therein complete accounts of all receipts and disbursements made, received and paid by the said General Manager for and on behalf of the said company and the said General Manager shall also prepare and keep or cause to be prepared and kept such further and other accounts as the said Company or the Directors shall from time to time direct.

(11) In the event of the said Company being wound up at any time for the purposes and with the object of transferring its business to another company, the said Company shall make it one of the terms and stipulations of their agreement for the transfer of their property and business to such other company as aforesaid that such other Company shall appoint the said General Manager to be the General Manager and Chairman of the Board of Directors of such new company and with the like powers and authorities to the said General Manager and on the same terms and conditions as to remuneration, emoluments and otherwise as are herein contained; it is hereby expressly agreed and declared that save and except with such condition and stipulation as one of the terms of the sale and transfer thereof the said company will not sell and transfer its business to any other company.

(12) In the event of the said company being wound up either voluntarily or by and under the directions of the Court or under the supervision of the Court, the said General Manager shall receive from the said company or the liquidators thereof as compensation for

the loss of his employment as such General Manager as aforesaid a sum of money equal to three times the average annual amount of the commission and remuneration earned by the said General Manager as such manager as aforesaid during the three years preceeding the resolution or order (as the case may be) for the winding-up of the said Company, PROVIDED HOWEVER that this clause shall not apply in the event of the said Company being wound up with the object of transferring its business to any other company.

(13) In the event of any dispute or difference at any time arising between the said Company and the said General Manager in respect of this Agreement or the several matters specified herein or with reference to anything arising out of or incidental thereto, such dispute or difference shall be submitted to and be decided by the arbitration of two arbitrators one to be named by each party to the dispute or difference, which arbitrators shall appoint an Umpire before taking upon themselves the burden of the reference, and this Agreement shall be deemed to be a submission to the arbitration of two arbitrators within the meaning of the Indian Arbitration Act, 1899, and all the provisions of that Act (except as hereby expressly varied) or of any Act of the Legislature passed in substitution therefor or in modification thereof and for the time being in force shall be deemed to apply to any reference hereunder.

IN WITNESS WHEREOF the Common Seal of.....Life Assurance Company, Limited, has been hereunto duly affixed in the presence of two of the Directors of the said Company and the signatures of the Said Mr. A. B. has been hereunto set and subscribed the day and year first above written.

The Common Seal of the..... Life Assurance Company, Limited, was hereunto affixed pursuant to a Resolution of the Directors passed at a Meeting of the Board held on the.....day of .....

In the presence of:—

Directors.

Countersigned by:—
As the person specially authorized by the Directors for the purpose.

Signed by the abovenamed Mr. A. B., in the presence of:—

AGREEMENT FOR THE APPOINTMENT OF A SECRETARY OF A COMPANY.

This Agreement made this.....day of.....1934 beween the.....COMPANY, LIMITED, AJMER, a Company incorporated under the Indian Companies Act 1913, hereinafter called "the said Company" of the one part and Mr. A. B. of hereinafter called the Secretary of the other part; Witnesseth that in consideration of the Agreement of the said Company hereinafter contained, he the said Mr. A. B., does hereby promise and agree to act as the Secretary of the said Company on the following terms and conditions.

(1) That the said Mr. A. B., unless prevented by ill-health will faithfully and to the best of his ability perform the office of

the Secretary of the said Company for the purpose of carrying on to the best advantage the business of the said Company, as long as the said company shall continue to carry on their respective business at the remuneration, upon the terms and subject to the conditions hereinafter particularly mentioned and described.

(2) The said Mr. A. B., shall be the Secretary of the Company for a period of.....years from the date hereof or until he shall resign and during the said term devote the whole of his time, attention and abilities to the business of the company and shall obey (subject to the Articles and the powers and duties reserved hereunder) the orders from time to time of the General Manager and of the Board of Directors of the Company and will use his best endeavour to promote the interest and business of the company and shall not divulge or make known any of the secrets or affairs thereof. The said Secretary shall be at liberty to resign the said office at any time upon giving to the company three calender months' notice of his desire to do so

(3) The Secretary shall look after the general office work and the Secretarial correspondence and under the instructions from the General Manager exercise general supervision over the affairs of the company including accounts, statutory books, agency work, etc. He shall also call meetings of Directors as may be necessary or by directions of the Chairman of Board of Directors or any of the directors. He shall call the meetings of members under the Board's resolution as required and get the proceedings of all meetings of members and directors recorded in proper minute books with proper divisions and index, see that proper documents are duly sealed as required by regulations, and see that the necessary documents are duly stamped and filed from time to time according to the requirements of Companies and Insurance Acts respectively for the time being. The Secretary shall also look after the incidents of applications, allotments and calls on shares or debentures as well as transfers and forfeiture of shares and see that the procedure as laid down by regulations is strictly adhered to and followed and in general attend to all work falling within the sphere of Secretarial Department in strict conformity with law, the Memorandum and the Articles of Association and other regulations of the company and obey and faithfully carry out instructions given to him from time to time by the General Manager and the Board of Directors of the Company.

(4) There shall be paid to the said Secretary a salary of Rs..... ..per mensem, the said salary commencing from the date hereof.

(5) In addition to the said salary the said Secretary during his tenure of office as foresaid shall be entitled to the undermentioned commissions, out of the net profits of the company in its Life Insurance business provided the said net profits are certified by a duly qualified actuary to be available for the purpose after making all provisions by way of reserve for Life Insurance Fund and after taking into account all expenses incurred paid or payable during the period under review. The said commission being payable after such review and after the preparation of the Revenue Account and Balance Sheet for the year or years for which the said commissions are ascertained. The said commissions shall be payable as follows:—

(1) Commission upto 1 per cent and not more on all first premiums received by the company and thereafter.

(2) Commission upto ½ per cent. and not more on all renewal premiums received by the company.

(6) In case the company also undertakes the business of Fire, Marine or other branches of Insurance, the said Secretary shall be entitled to a commission of... . per cent. on all premiums received from year to year on such policies during the period for which the said Secretary was in active service of the Company.

ALTERNATIVE CLAUSE

The following specimen clauses are given for being used in place of clauses 5 and 6 in connection with companies doing business other than Life Insurance

"Whenever the profits of the company made during the financial year or other period comprised in the accounts submitted to the ordinary general meeting in each year are more than sufficient to pay a dividend on the paid up capital of the company for such period at the rate of 5 per cent per annum, the said Mr A B, in addition to his salary aforesaid, shall be paid a sum equal to 25 per cent. of the excess The certificate in writing of the Company's auditor as to the amount of such excess or as to there being none shall be conclusive"

Where the Secretary is given a commission on or a share of profit as his remuneration, the arrangement should be expressly stated and it is also desirable that the Auditor's Certificate should be made conclusive as to the amount of profit made during the period The following form is suggested in such cases –

'In addition to his salary aforesaid, he said . .. shall be entitled to a commission of. per cent. on the profits made during the financial year or other period comprised in the accounts submitted to each ordinary general meeting of the company"

(7) In the event of any dispute or difference at any time arising between the said company and the said Secretary in respect of this Agreement or the several matters specified herein or with reference to anything arising out of or incidental thereto, such dispute or difference shall be submitted to and be decided by the arbitration of two arbitrators one to be named by each party to the dispute or difference, which arbitrators shall appoint an Umpire before taking upon themselves the burden of the reference and this Agreement shall be deemed to be a submission to the arbitration of two arbitrators within the meaning of the Indian Arbitration Act, 1899, and all the provisions of that Act (except as hereby expressly varied) or of any Act of the Legislature passed in substitution therefor or in modification thereof and for the time being in force shall be deemed to apply to any reference hereunder

IN WITNESS WHEREOF the Common Seal of THE..... INSURANCE COMPANY, LIMITED, has been hereunto duly affixed in the presence of two of the Directors of the said Company and the

signatures of the said Mr. A. B., have been hereunto set and subscribed the day and year first above written.

The Common Seal of the.....
INSURANCE COMPANY, LIMITED,
was hereunto affixed pursuant to a Resolution of the Directors passed at a Meeting of the Board held on the.....
day of.....

In the presence of:—

Directors.

Countersigned by:—
As the person specially authorised by the Directors for the purpose.

Signed by the abovenamed Mr. A. B. in the presence of:—

PLAINT OF A SUIT BY SHAREHOLDER FOR MISFEASANCE FOR WRONGFUL PAYMENT OF DIVIDENDS AND CONCEALING FACTS.

IN THE HIGH COURT OF JUDICATURE AT.....
Ordinary Original Civil Jurisdiction.
Suit No. of 19.....

The X. Y. Z. a joint stock Company having its registered Office at.....within the Fort of .....

Plaintiffs

— *vs.*..—

1. A. B. of.....inhabitant residing at ....2. C. D. of..... Inhabitant residing at.....outside the Fort of..... 3. E. F. of.....Inhabitant residing at..... ..outside the Fort of ..... 4. G. H. of.....Inhabitant residing at.....5. I. J. of... ....Inhabitant residing at.....outside the Fort .....

Defendants.

THE PLAINTIFFS ABOVENAMED STATE AS FOLLOWS:—

1. The plaintiff Company is a Joint Stock Company incorporated under the Indian Companies Act and having its registered office in .....

2. The object with which the said Company was incorporated was inter alia to carry on the business of banking.

3. The *1st defendant* was appointed a director of the plaintiff Company *before 19*....and continued to act as such director *upto the*.....The *2nd defendant* was appointed a director before .....but he *resigned* his office in.....He was *re-elected* a director on the.....19....and *continued* to act as such director upto the.....day of.....19....on which date his resignation was accepted by the Board. The 3rd defendant was appointed

the director of the Company *before 19*....and continued to act as such director upto the.....day of.....19....on which date he retired by rotation and was not re-elected. The 4th defendant was appointed a director on.....19....and continued to act as such director up to the.....day of.....19....on which date he resigned. The 5th defendant was *ex-office director* of the plaintiff Company from the time of its incorporation *upto the*..... .....19.... He was also the owner of the firm of..... .....who were at all relevant times the agents of the plaintiff Company.

4. Articles *120 and 121* of the Articles of Association of the plaintiff Company are as follows:

120. The Directors may with the sanction of the Company in General Meeting from time to time declare an annual dividend to be paid to the Shareholders in proportion to their shares as also a Bonus to be paid to the shareholders or to the staff of the Bank of any members thereof or to the Agents.

121. The Directors may without such sanction declare half-yearly and as-interim dividend to be paid to the shareholders in proportion to their shares.

5. On the.....19....the defendant as the directors of the plaintiff Company approved and *signed the audited balance sheet* and profit and loss account which was submitted to them by the Agents of the plaintiff Company purporting to show a net profit of Rs.....for the half-year ending... ....19.... Hereto annexed and marked A is a copy of the said balance sheet profit and loss account.

6. The auditors of the plaintiff Company for the said year were Messrs ....and Messrs..... .. They made a report to the shareholders of the plaintiff Company which was endorsed at foot of the said balance sheet and profit and loss account. By their said report they certified the said balance sheet and profit and loss account as exhibiting a true and correct view of the state of the plaintiff Company's affairs according to the best of their information and the explanation given to them but subject to a further separate report which they made and with the exceptions referred to in the said further report. The said auditors intended their further separate report to form a part of their original report. Hereto annexed and marked B. is a copy of the said further and separate report.

7. On the.....*19*....the directors resolved that a *dividend* at the rate of 9 per cent per annum, *i.e.*, Rs.....per share on fully paid up shares free from Income Tax and annas..... per share of new issue shares of Rs... ....paid up to these shareholders who had paid application and allotment moneys be declared for the half-year ended.....19....and that the balance be carried forward to the next half-years account.

8. The said *dividend* was accordingly declared and a total sum of Rs.....was paid as interim dividend out of the plaintiff Company's Funds between the.....day of.....and 19.... and the.....day of.....19.....

9. On or about the.....*day of*..... ..... .*19*.... the

defendants signed a balance sheet and profit and loss account of the plaintiff Company for the year ended.....*19*....purporting to show a net profit of Rs..... Hereto annexed and marked C is a copy of the said balance sheet and profit and loss account.

10. The said auditors made a report to the shareholders of the plaintiff Company which was endorsed at foot of the said balance sheet and profit and loss account as exhibiting a true and correct view of the state of the plaintiff Company's affairs according to the best of their information and the explanations given to them but subject to a further separate report which they made and with the exceptions referred to in the said further separate report. The said auditors intended their further separate report to form a part of their original report. Hereto annexed and marked D is a copy of the said further and separate report.

11. The Agents of the plaintiff Company purported to give to the directors an explanation as regards the said separate report of the auditors Hereto annexed and marked E is a copy of the said explanation

12 At a meeting of the Board of Directors held on the.. ... day of.. . . 19 the said balance sheet and profit and loss account were approved and adopted by the directors The directors also recommended the payment of a final dividend at ..... per cent free of Income Tax to such shareholders as had paid all calls on their new issue shares and to pay a bonus of per cent of their annual salary to the staff of the plaintiff Company and to carry.... lac of Rupees to the Reserve fund and the balance to next half years account.

13. Neither the Auditor's further and separate report nor the explanations purported to have been given by the Agents of the plaintiff Company were circulated to the shareholders

14 The Annual General Meeting of the shareholders of the plaintiff Company was *held* on the .. ...19. .. At the said meeting one K L a Shareholder of the plaintiff Company proposed as an amendment to the adoption of the report of the Directors and the audited balance sheet and profit and loss account that the meeting be postponed and that the Auditors' separate report be circulated among the shareholders with a view to enable them to consider the exact position of the Bank The said amendment however fell through for want of being seconded. At the said Annual General Meeting a final dividend at the rate of .per cent per annum per share for the half-year ending... . 19.. .free of Income Tax was declared by a majority and made payable on and after the..... day of.. .....19.... to those shareholders whose names stood on the register of the plaintiff Company on the . ...19.... and who had also paid all calls on their new issue of shares.

15 A total sum of Rs .... was *accordingly* paid as dividend out of the plaintiff Company's funds between the day of .. . . 19. and the .... day of..... ....19....

16. A sum of Rs . . . was paid as bonus to the staff of the plaintiff Company out of the plaintiff Company's funds

17. A sum of Rs. .... was paid as remuneration and commission to the agents of the plaintiff Company out of the plaintiff Company's funds.

18. The said balance sheets and profit and loss accounts were false and delusive.

(a) Fixture furniture and fittings were shown as assets of the plaintiff Company at their cost price without any allowance for depreciation.

(b) During the half-year ending.....December, 19....loans and overdrafts aggregating to Rs.....were alleged to be secured by shares for which there was no published quotations and to which the Agents of the plaintiff Company assigned as arbitrary value of Rs..... Other loans and overdrafts of large amounts were alleged to be secured by consignments of goods jewellery and diamonds to which also the agents assigned such value as they pleased. The defendants made no attempt to ascertain the correctness of the said valuations which as a matter of fact were grossly exaggerated.

(c) During the half-year ending .. ..19....a sum of Rs..... ..was treated as secured by a steamer for which no documents of transfer had been executed.

(d) Large loans and overdrafts were made on the securities of immovable properties the value of which had been grossly exaggerated by the Agents.

(e) During the said half-year ending. .. .. . .19.... unsecured debts amounting to Rs... . were shown as good debts although the accounts in respect thereof had been inoperative for a considerable period and some of them had been time barred Interest amounting to Rs..... ....and Rs..... . ....was added to the amount of the above debts and shown as good debts although the said interest was unrealised. Of the aforesaid debts loans of the aggregate amount of Rs ..... were three years or more old.

(f) During the said half-year ending . . . .19.... Rs ....were due under decree which had not been realised and suits were pending for the recovery of Rs.....

(g) During the said half-year in the accounts of the Export and Import Department two items amounting to Rs..... . were shown as good debts though time barred Rs .. ..were shown as good debts although it was realised that there was no hope of recovering them and Rs .were shown as good debts although it had become necessary to file suits in respects of them.

(h) During the said half-year debts amounting to Rs ....were treated as good debts at the... .....although the said branch had then been closed for other....years.

(i) During the said half-year Rs . were considered as good assets of the plaintiff Company as being the alleged value of. . . . Securities notes owned by the plaintiff Company although it was well known at the time that.... Securities notes were almost worthless.

(j) In the balance sheet and Profit and Loss Account for the year ending. . ... .. 19 . a liability of £... .... was taken to the equivalent to a liability of Rs ..... by taking the rate of exchange at... shillings per rupee although the ruling rate of exchange at the time was

s.....according to which rate the liability would amount to Rs.....

(k) In the said balance sheet and profit and loss account under the heading of Secured Cash Credit and Overdrafts a sum of Rs.....purported to be on the security of shares for which there was no market quotation.

(l) In the said Balance Sheet and Profit and Loss Account under the heading of unsecured debts a sum of Rs.....was in respect of decrees which had not been realised. A total sum of Rs.....was under accounts which had not been operated upon for..... years and upwards. A total sum of Rs.....was shown as good although due by parties who had become insolvents. Two sums of Rs.....and..... were alleged to be due by the Ex-Directors of the Plaintiff Company.

(m) In the said Balance Sheet and Profit and Loss Account under the heading of secured demand loans there was a total sum of Rs.....as secured by shares for which there was no market quotation and a total sum of Rs.....as secured by Consignments of pearls and jewellery, immovable property and s.s. Britormart for which last alleged security there were no documents of transfer. A total sum of Rs..... was said to be due under decrees which had not been realised. A total sum of Rs.....was due as loans which had been outstanding for.....years or longer. All the said items were shown as good assets of the Company.

(n) In the said Balance Sheet and Profit and Loss Account under the heading of investments was shown an item of Rs.....and considered as a good asset of the Plaintiff Company as being the alleged value of .....Securities notes owned by the Plaintiff Company although it was well known at the time that..... Securities noted were almosts worthless.

(o) In the said Balance Sheet and Profit and Loss Account a sum of Rs.....was shown as the value of shares held by the Plaintiff Company for which there was no maket quotation.

(p) In the said Balance Sheet and Profit and Loss Account Rs.....were shown as good assets of the Plaintiff Company and due at the.....although the said Branch had been closed for more than..... years.

19. The aforesaid falsities in the accounts were brought to the notice of the Directors. They neither sought nor received any explanation as regards most of them. As regards the rest the explanations given by the 5th defendant (who as the owner of the Agents firm of the Plaintiff Company had got the accounts prepared) were such as no business man of ordinary prudence could account as satisfactory.

20. As a matter of fact the Plaintiff Company had for the year ending.....19....., *made no profit* but on the

contrary had by that time made a *loss of over Rs.....lacs of Rupees.*

21. The payments of the said *ad-interim and final dividends and* of the other sums therein before-mentioned were *actually made out of the capital* of the Company and the said payments were ultra vires.

22. The Plaintiff Company charges that the Defendants were guilty of *gross negligence* in the discharge of their duty and were *guilty of a breach of the duty to the Plaintiff Company.* The Defendants *knew or but for their gross negligence ought to have known* that the said Balance Sheets and Profit and Loss Accounts were totally false and delusive, that the Plaintiff Company had made no profit but on the contrary had incurred very heavy losses and that the aforesaid payments were made out of the capital of the Plaintiff Company and were ultra vires.

23. The Plaintiff Company submits that the Defendants are jointly and severally liable to make good to the assets of the Plaintiff Company the aforesaid sums together with interest thereon at.....per cent. per annum from the respective payment thereof.

24. The Defendants reside and carry on business at....., the whole cause of action arose in..... ....and this Hon. Court has Jurisdiction to hear this suit.

25. The Plaintiff will rely on the documents a list whereof is hereto annexed.

The Plaintiff pray:—

(a) That it may be declared that the Defendants were guilty of misfeasance and breach of trust in authorising sanctioning and participating in the payment to shareholders of the Plaintiff Company of *dividends* on their respective shares *out of the Capital* of the Plaintiff Company.

(b) That it may be declared that the Defendants were guilty of misfeasance and breach of trust in authorising sanctioning and participating in the payment of *Bonus to the staff and of commission to the Agents out of the* Capital of the Plaintiff Company

(c) That the Defendants and *each of them may* be ordered to pay to the Plaintiff Company the sums of Rs....., Rs....., aggregating to Rs.....together with interest thereon at.....per cent. per annum from the dates on which the said respective sums were paid out of the Plaintiff Company's funds.

(d) That for the aforesaid purpose all such accounts may be taken inquiries made and directions given as may be necessary.

(e) That the Defendants may be ordered to pay the Plaintiffs costs of the suit.

(f) That the Plaintiffs may have such further and other relief as the nature of the case may require.

Plaint drawn by

..... For X. Y. Z.

Advocate. .....

..... Manager.

Plaintiffs Attorneys.

I, M. N. of.....Inhabitant Manager of the Plaintiff Company abovenamed residing at..... do solemnly declare that what is stated in paras 1, 2, 4, 6, 8, 10, 15, 16 and 17 hereof is true to my own knowledge and that what is stated in the remaining paras believe the same to be true.
Solemnly declared at.....aforesaid
this.....day of.....19.....
Before me,
.....
Commissioner.

PLAINT FOR RECOVERY OF ALLOTMENT MONEY.

X. Y. Z. A company incorporated and registered under the Indian Companies Act of.....and having its registered office situate at..... within the Fort of .....

Plaintiffs.

— *vs.* —

A. B. of.....merchant.....inhabitant resident of No.....without the Fort of.....

Defendants.

The Plaintiff states as follows:—

1. The Plaintiff Company was formed and registered in..... under the Indian Co.'s Act of.....of the.....day of..... with a nominal capital of Rs.....divided into..... ordinary shares of Rs.....each, ...six per cent. Cumulative preference shares of Rs.....each.

2. By an application dated the.....of.....19...., the Defendant applied on one of the Company's application forms for the allotment to him of.....ordinary shares of the Company's and the Defendant on the.....day of.....19...., paid to the Company's bankers the sum of Rs.....being a deposit of Rs.....per share on the said.....ordinary shares and Rs.....per share on the said.....deferred shares of the Company and the Defendant agreed within.....days after allotment to pay the further instalment of Rs.....per every ordinary share and Rs.....for every deferred share allotted to him due on allotment and to pay the balance due in respect of the said ordinary shares as and when called for in sums not exceeding Rs.....for every ordinary share at intervals of not less than .....months. A copy of the Defendant's said application is hereto annexed and marked "A."

3. .....ordinary shares and.....deferred shares of the Company were accordingly allotted to the Defendant and the Defendant's name was entered on the register of the shareholders of the Company as the holder of such shares; and the Defendant was duly informed thereof by the Company's allotment letter of the..... .....19.....

4. The allotment call of Rs.....per share in the respect of the said.....ordinary shares of the Company and the allotment call of Rs.....per share in respect of the said..... deferred shares of the Company became due from the Defendant within.....weeks from the said.....of.....19...., but the Defendant failed to pay the moneys from him in respect

thereof and thereupon the Company gave a notice to the Defendant on the.....19...., that interest at the rate of.....per cent would be charged on the overdue call from the.....day of .....19.....

5. On the.....19...., the Company again give notice to the defendant requiring payment of the moneys due in respect of the allotment calls aforesaid within.....days from the date thereof and the defendant was informed that in the event of the nonpayment by him of the said moneys within the time aforesaid the shares in respect of which the same were owing would be liable to be forfeited

6. The defendant having failed to comply with the requisition contained in the said notice the said shares were by the resolution of the directors of the Company passed at a meeting of the Board held on the.....19...., declared to be forfeited and an entry of such forfeiture was duly made in the register of shareholders of Company and notice of forfeiture was given to the defendants on the.....19.....

7. The 1st call at Rs.....per share in respect of the said ordinary shares of the Company was made on the.....day of .....19...., and the sum of Rs. .....became payable by the defendant in respect of the said.....ordinary shares allotted to him as aforesaid and notice of the said call was duly given by the Company to the defendant on the said..... 19...., calling upon him to pay the amount of the call on or before the.....day of.....19...., and informing him that interest would be charged thereon from that date at the rate of.....per cent. per annum.

8. The defendant having failed to pay the moneys so due as aforesaid or any part thereof the Company on the ..... 19...., through their solicitors called upon the defendant to pay to the Company or their solicitors within.....day from the date of the said notice the amount due by him as aforesaid but the defendant failed to do so.

9. There is now due and owing to the plaintiff by the defendant in the respect of the said shares allotted to him as aforesaid the sum of Rs.....due on allotment call at Rs.....per share in respect of the above said.....ordinary shares and the sum of Rs.....due on allotment call at Rs. .....per share in respect of the said. .....deferred shares of the Company allotted to the defendant as aforesaid with interest thereon at.....p. a. from the.....19...., and the sum of Rs... .....being the amount of the 1st call at Rs.....per share in respect of the said.....ordinary shares allotted to the defendant together with the interest thereon at the rate of.....per cent. per annum from the said.....19.....

10. The registered office of the Company is situate in..... where the defendant carries on business and the whole cause of action arose in..... and the plaintiff submits that this Honourable Court has jurisdiction to try and determine this suit.

11. The Plaintiff Company will rely on the documents a list whereof is hereto annexed and marked B. The Plaintiff Company prays:—

'(a) That the defendant may be decreed to pay to the plaintiff the sum of Rs.....with the interest thereon at

the rate of.....per cent. per annum from the..... .....19...., till payment.

(b) That the defendant may be ordered to pay the cost of this suit.

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