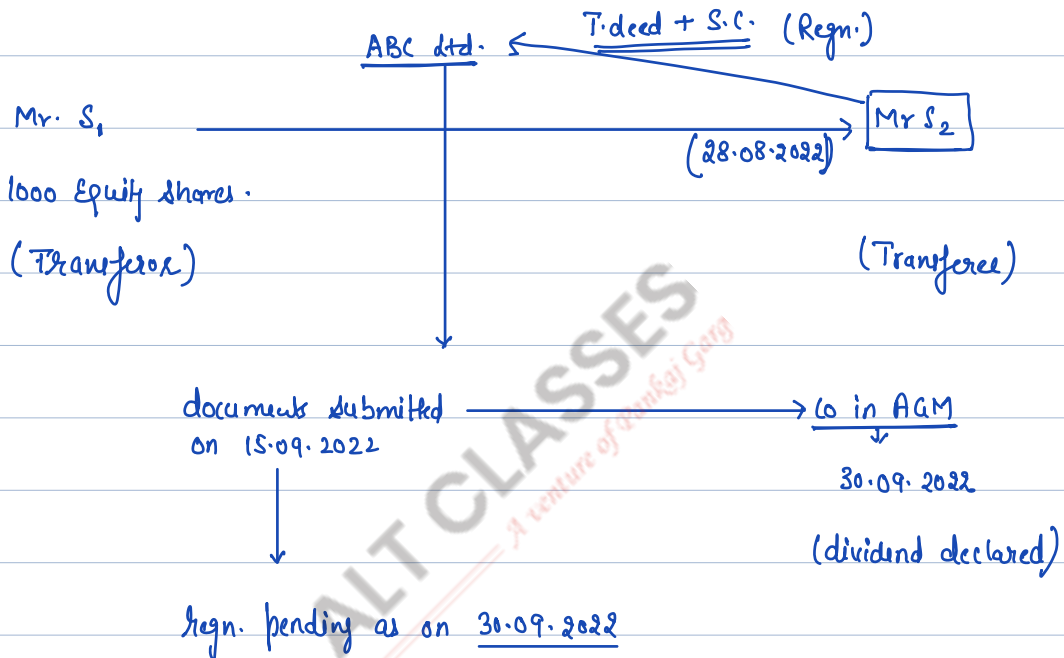
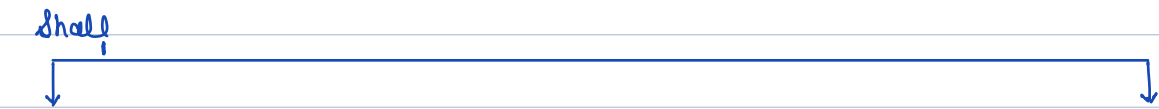


Chapter - 8 " Declaration and Payment of Dividend "

(v) Right of dividend, right shares and bonus shares to held in abeyance pending registration of transfer of shares (Sec. 126) : ↓
(put on hold)



Where any instrument of transfer of shares has been delivered to the company for registration and transfer has not been registered by the company, the company shall

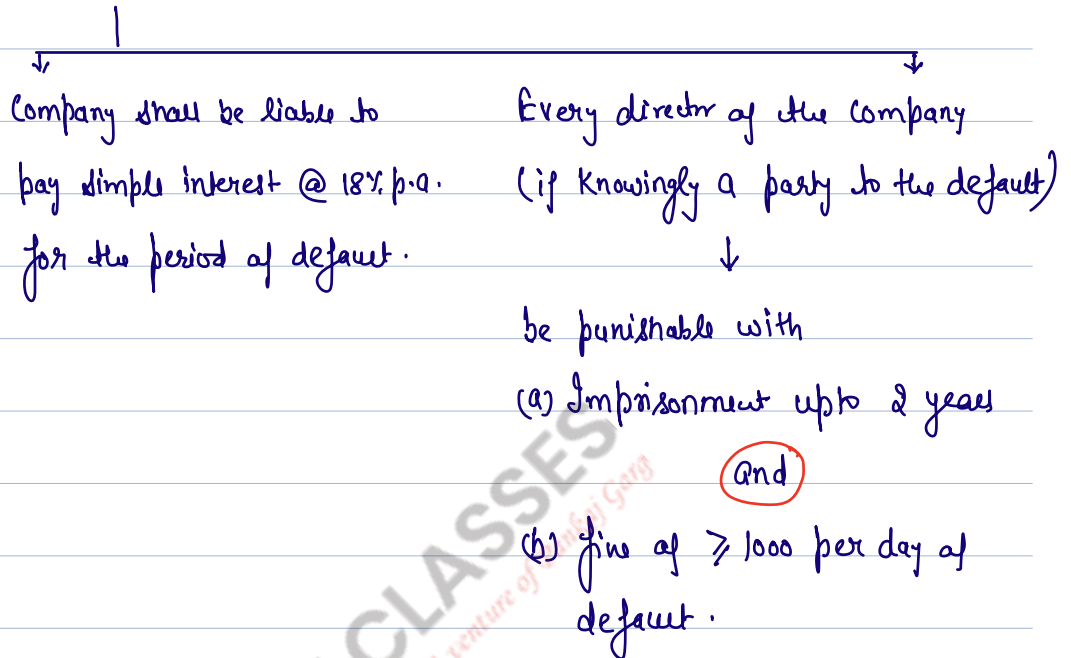


transfer the dividend in unpaid dividend A/c
↓
unless registered shareholder authorises the company, in writing to pay such dividend to transferee.

also keep in abeyance
↓
any offer of right shares and issue of fully paid bonus shares, in respect of such shares, which have not been registered.

(vi) Punishment for failure to distribute dividend (Sec. 127):

(a) Penalty: If the dividend is not paid within 30 days of declaration of dividend



(b) Exceptions: No offence under this section shall be deemed to have been committed, if:

- (i) dividend could not be paid by reason of operation of law.
- (ii) shareholder has given certain directions to the company regarding payment and those directions cannot be complied with and the same has been communicated to the shareholder.
- (iii) there is a dispute regarding payment of dividend.
- ✓ (iv) dividend has been lawfully adjusted against any sum due from shareholders.
- (v) failure to pay dividend was not due to any default on the part of the company.