

Subject – Secretarial Practices
Subject code- BBA603 / BCH603
Lecture 19

Accordingly, a Company Secretary has the following duties in respect of forfeiture of shares:

- (a) To arrange a Board meeting; to take a decision on forfeiture after the first reminder for payment of call money to defaulting shareholders has been issued.
- (b) To issue a second reminder to still defaulting members with a caution that shares may be forfeited if the call money is not paid within a specified period of time.
- (c) To have a resolution passed at a Board meeting on forfeiture.
- (d) To make necessary changes in the Register of Members and to cancel the share certificates concerned.
- (e) In case forfeited shares are re-issued, the Company Secretary has to make further entries in the Register of Members, to issue share certificates to the re-purchasers, and to see that necessary entries are made in the books of account.

Duties Of Company Secretary For Application Of Shares:

1. To make arrangements for opening with the bankers a special account for receiving the share application with the application money.
2. To see that the share application received by the company are sent to the bank.
3. To arrange for screening and sorting out of the application on receipt of the same with the bank.
4. To see that all incomplete and irregular applications are rejected and in case of insufficient money, the applicants are requested to remit the balance amount due to the bank.
5. To notify the public through print media that the last date of receiving application is over or that the issues have been subscribed fully.

Duties Of Company Secretary For Allotment Of Shares:

1. To see that the minimum subscription has been received
2. To see that not less than 5% of the total face value of the shares have been received
3. To see that at least four days have been elapsed from the date of issue of the shares.
4. To see that the applications of shares have been checked, sorted and entered in the application and allotment list.
5. To consult the stock exchange authorities regarding the allotment of the listed shares.
6. To see that every sheet of application and allotment list is initialed by the chairman of the board and also signed by him at the end of the list.
7. To see that the board resolution is passed approving the allotment of the shares.