

**Subject – Secretarial Practices**  
**Subject code- BBA603 / BCH603**  
**Lecture 10**

**Transmission:**

Transmission of shares means transfer of shares by operation of Law. For example, when a shareholder dies, his shares are transferred to his inheritor. The inheritor may hold the shares in his own name or before that he may transfer the shares to any other person.

When a creditor, being unable to get payment from his debtor starts a case and gets a decree on the assets of the debtor including some shares held by the debtor, there is a case of transmission. The Companies Act does not provide any specific Sections for Transmission of shares. But Table A provides Regulations 25 to 28 for the same.

**The Company Secretary has the following duties to do in connection with transmission of shares:**

(a) To examine all the legal documents and evidences as to the claim made by a transferee. In case of inheritance, the Probate of Will (i.e., a copy of the Will certified by the Court) of the deceased shareholder entitling the inheritor to the shares shall be demanded. If there has been no Will then a Letter of Administration has to be received from the person claiming transmission.

(b) The Company Secretary has to obtain the approval of transmission by the Board of Directors. The Board of Directors has powers to reject transfer of shares but it cannot normally reject transmission because it is by operation of law.

(c) After that the Company Secretary has to take all other steps, as in case of a transfer, with regard to issue of new share certificates and necessary changes in the Register of Members. It has to be noted that rules regarding transfer and transmission, of shares also apply to debentures.