

Subject – Secretarial Practices
Subject code- BBA603 / BCH603
Lecture 12

On receiving the documents the duties of the company secretary with regards to transfer of shares :

- (a) To inspect and to verify-the correctness of the instrument and genuineness of the share certificate. He will issue a Transfer Receipt to the transferee.
- (b) To write a letter to the transferor and the transferee each, called the ‘notice of lodgment of transfer’, inviting objections to the transfer, if any. This is very important particularly when shares are not fully paid.
- (c) If no objection is received within two weeks from the sending of above notice, the matter will be placed by the Company Secretary at the next meeting of the Board of Directors for approval or disapproval of transfer. Normally, disapproval is not made unless there are strong reasons in the interests of the company.
- (d) Within two months from the approval, the Company Secretary shall issue a new share certificate to the transferee in exchange of Transfer Receipt, remove the name of the transferor from the Register of Members and enter the name of the transferee in it. Instead of issuing a new share certificate the old certificate duly endorsed by the transferor may be given to the transferee.