

Subject – Secretarial Practices
Subject code- BBA603 / BCH603
Lecture 13

Duties of a Company Secretary in Relation to Shares

Each shareholder is entitled:

- (a) To get a Share Certificate as an evidence of his shareholding and
- (b) To get his name entered into the Register of Members so that he becomes a member. ‘Subsequently a shareholder may transfer his shares to another person for the shares may be transmitted to another person by operation of law.

According to the Companies Act, the Board of Directors is empowered by the Articles to decide on allotment, transfer and transmission of shares. Shares of a public company are freely transferable while shares of a private company are transferable under restrictions as mentioned in the Articles of Association of the company.

A company in its Articles of Association provides the procedure of allotment, transfer and transmission of shares. Table A provides a model procedure. The Company Secretary, who is conversant with the procedure, helps the Board of Directors in the process of allotment, transfer and transmission of shares.