

Subject – Secretarial Practices
Subject code- BBA603 / BCH603

Lecture 24

share warrant

A Share Warrant is a document issued by the company under its common seal, stating that its bearer is entitled to the shares or stock specified therein. Share warrants are negotiable instruments. They are transferable by mere delivery without registration of transfer.

Why share warrant is issued?

Issuing warrants **provides the company with a future source of capital**. Also, a warrant may be issued as a way of preserving goodwill from the company's shareholders. It will be more easy to convince shareholders to pay \$10 per warrant than to purchase additional company shares at \$100.

What are share warrants India?

Share warrants are **instruments that give their holder the right to buy the stock of the issuing company at a predetermined price within a stipulated time frame**.

Are stock warrants transferable?

The Warrants and the Warrant Shares **may not be transferred**, disposed of or encumbered (any such action, a "Transfer"), except in accordance with and subject to the provisions of the Securities Act and the rules and regulations promulgated there under.

Who can issue share certificates

The prepared share certificates must conform to the standards mentioned above and should be issued under the signature of **two Directors or Company Secretary or any other person authorized by the Board of Directors**.

Difference Between Warrants And Options

The option is an agreement. read more wherein buyers possess the right but not the obligation to buy or sell stock at a specified price and date. Conversely, a warrant is an instrument registered to provide the buyer the right to get a specified number of shares at a pre-decided date and prices.

Advantages of investing in warrants

- High returns in Long-term.
- Low-cost alternative to standard options.
- Improved capital management.
- Also Read: [Top 15 Crypto currencies to Invest other than Bitcoin \(2020\)](#)
- Substantial risk.
- Opportunity cost.
- Infrequent Utilization.
- Recommended: [10 Best Long Term Investment Options in India.](#)