

PROCEDURE FOR ISSUANCE OF DUPLICATE SHARE CERTIFICATES

62

*{Section 46(2) of the Act read with Rule 6 of the Companies
(Share Capital and Debentures) Rules, 2014}*

Synopsis

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Relevant Sections, Rules and Forms at a Glance

Particulars	Section(s), Rule(s) and Name of e-Form(s)
The Companies Act, 2013	Sections 46 and 173
The Companies (Share Capital and Debentures) Rules, 2014	Rules 5, 6 and 7
Secretarial Standard-1 of ICSI	Clauses 3, 4, 5, 6, 7 and 8
e-Forms to be filed	No form is filed

Significant Relevant Approvals and Requirements

- ❖ Board resolution
- ❖ Duplicate can be issued if the original is lost/ destroyed/ defaced/ mutilated/torn
- ❖ Affidavit on non-judicial stamp paper of requisite value duly notarised, in case of lost or destroyed.
- ❖ Indemnity bond on non-judicial stamp paper of requisite value duly notarised, in case of lost or destroyed.
- ❖ Copy of First Information Report, in case of lost or destroyed
- ❖ Original certificate, in case of certificate is destroyed, defaced, mutilated or torn.

62.1 PROCEDURE WITH CHECK POINTS

S. No.	Particulars
1.	<p>Ensure that—</p> <ul style="list-style-type: none"> • the duplicate share certificate shall not be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, mutilated, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfers have been duly utilised and the original certificate in lieu of which it is issued, is surrendered to the company <i>{Section 46(2) of the Act read with rule 6 (1) of the Companies (Share Capital and Debentures) Rules, 2014}</i>.

S. No.	Particulars
	<ul style="list-style-type: none"> • a company may replace all the existing certificates by new certificates without requiring old certificates to be surrendered in case of <ul style="list-style-type: none"> - sub-division of shares, or - consolidation of shares, or - merger or demerger or any reconstitution subject to compliance of following conditions- <ul style="list-style-type: none"> - passing of a board resolution, - issue certificate in SH-1, - certificate shall specify the name(s) of the person(s) in whose favour the certificate is issued, the shares to which it relates and the amount paid-up thereon, - certificate shall be signed by two directors or by a director and the company secretary, wherever the company has appointed company secretary and in case of an One Person Company, it shall be sufficient if the certificate is signed by a director and the company secretary or any other person authorised by the Board for the purpose, - the signature of one signatory either director or company secretary, is printed thereon as facsimile signature by means of any machine, equipment or other mechanical means such as engraving in metal or lithography or digitally signed, but not by means of rubber stamp, provided that the director shall be personally responsible for permitting the affixation of his signature thus and the safe custody of any machine, equipment or other material used for the purpose, and - in case the company has a common seal, it shall be affixed in the presence of persons required to sign the certificate. <p><i>{Section 46(3) of the Act read with rule 5(1)(a), 5(2) and 5(3) of the Companies (Share Capital and Debentures) Rules, 2014}.</i></p> • that the shareholder has submitted a request for duplicate share certificates along with copy of first information report, an affidavit and indemnity bond in case of lost and original share certificate in case of destroyed, defaced, mutilated or torn, and the requisite fee, as the Board thinks fit, not exceeding Rs. 50/- (fifty) per certificate and the payment of out-of-pocket expenses incurred by the company in investigating the evidence produced <i>{Rule 6(2)(a) of the Companies (Share Capital and Debentures) Rules, 2014}.</i> • the duplicate share certificates shall be issued in case of unlisted companies, within a period of 3 (three) months, , and in case of listed companies, within a period of 45 (forty five) days, from the date of submission of complete documents with the company respectively <i>{Rule 6(2)(c) of the Companies (Share Capital and Debentures) Rules, 2014}.</i>
3.	<p>Complete formalities regarding calling of board meeting in the following manner:</p> <ul style="list-style-type: none"> • Prepare notice of board meeting along with draft resolution(s) to be passed in the board meeting. • Send notice of board meeting to all the directors <ul style="list-style-type: none"> - at least 7 days before the date of board meeting or

S. No.	Particulars
	<p>The subscribers, who are individuals in the Memorandum of Association (MOA) shall be deemed as first directors until the directors are duly appointed by the members in accordance with Section 152 of the Companies Act, 2013 and rules made thereunder (Section 152 of the Act).</p> <ul style="list-style-type: none"> • Not the person intended/proposed to be appointed a director of a company has a valid Director Identification Number (DIN) under section 174 or any other number as may be prescribed under section 174 of the Companies Act, 2013, however, in case of first directors of a new company, the DIN up to 3 (three) persons can be obtained through incorporation with integrated form SPICe-1 (INC-32) (Section 152 of the Act read with rule 152 of the Companies Incorporation Rules, 2014). • Not a total number of directors, at least one director has stayed in India for a total period of not less than 182 days during the financial year. Provided that in case of newly incorporated company, residential status shall be determined proportionately. However, it is not required in case the director is appointed by the Central Government or State Government (Section 152 of the Act). • A person, who is intended to be appointed, shall not be eligible for appointment, if he/she has any disqualification for appointment under section 164 of the Act (Section 164 of the Act read with companies provisions a government company and regulations in COA 2012 about COA 2012). • A person proposed to be appointed as a director in a company other than a company registered under Section 8 (non-profit company) of the Companies Act, 2013 (Section 152 of the Act) <ul style="list-style-type: none"> - shall not hold office as a director including any alternate directorship in more than 20 companies including directorship in dormant companies. - shall not hold office in more than 10 public companies including the private companies which are holding or subsidiary of public company.
2.	In case of one person company, an individual being sole member is deemed to be the first director of the company, if the articles of association has not mentioned the names of first directors (Section 152 of the Act).
3.	Forms created in writing, on or before appointment, from the appointed director to act as director in the company as Form 208-2 (Part 2 of the Companies Appointment and Qualification of Directors) Rule, 2014.
4.	Form created in writing, on or before appointment, from the appointed director as Form 208-3 regarding that he/she is not disqualified under Section 164 of Companies Act, 2013, to act as a Director (Section 164 of the Act read with rule 164 of the Companies Appointment and Qualification of <u>Directors</u>) Rule, 2014.
5.	The particulars of first directors to be integrated with Form SPICe-1 (INC-32) at the time of incorporation of company.

For the detailed procedure, please refer Company Law Procedures & Compliances by Dr. Sanjeev Gupta, 2nd edn, 2021. You can buy from your bookseller or online at www.bharatlaws.com

[COMPANY LAW Procedures & Compliances \(in 2 vols.\)](#)