



MEHTA & MEHTA COMPANY SECRETARIES

Transfer of Securities

What is Transfer of Securities?

- Transfer of Securities refers to assigning of ones rights related to shares/debentures of the company to another person.
- The one who transfers securities is called Transferor and to whom the securities are transferred are called Transferee.
- Transferor has to be the existing member of the company whereas the transferee can be existing or new member.
- The provisions related to Transfer of Shares are mentioned in **Section 56 of Companies Act 2013** and **Rule 11 of The Companies (Share Capital and Debentures) Rules, 2014**

Procedure for Transfer of Securities:

The transferor/transferee shall submit Form SH-4 to the company within 60 days of its date of execution of such Form

Form SH-4 shall be duly stamped, dated and executed by or on behalf of the Transferor.

It shall contain detail of Transferee's name, address and occupation

The Company shall deliver the Share Certificate . If no share certificate is issued, letter of allotment shall be given. The Company shall update Register of Member post completion of procedure.

Time Limit for delivering Share Certificate :

Within the period of	From the date of	In case of
2 months	Incorporation	Subscribers to the memorandum
2 months	Allotment	Allotment of any of its shares
1 months	Receipt by the company of the instrument of transfer or transmission	Transfer or transmission of securities
6 months	Allotment	Allotment of debenture



What if shares are partly paid up?

In case the shares are partly paid, the company shall inform the same to the Transferee through a notice in Form No. SH 5 and the Transferee shall give a NOC to this effect within 2 weeks from date of receipt of notice.

Stamp Duty :

The stamp duty shall be reckoned on consideration on a transfer of shares.

Securities	Rate of Stamp Duty on Issue (%)	Rate of Stamp Duty on Transfer (%)
Shares	0.005	0.015
Debentures	0.005	0.0001

Format of Forms :

- **Form SH-4**

<http://ebook.mca.gov.in/notificationdetail.aspx?acturl=6CoJDC4uKVUR7C9FI4rZdatyDbeJTgg38iljdoCCVy7J5jEndAY96z5qMTrTxip2>

- **Form SH-5**

<http://ebook.mca.gov.in/notificationdetail.aspx?acturl=6CoJDC4uKVUR7C9FI4rZdatyDbeJTgg38iljdoCCVy7K3ibCw7Cn4T34NS87TZv+>



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