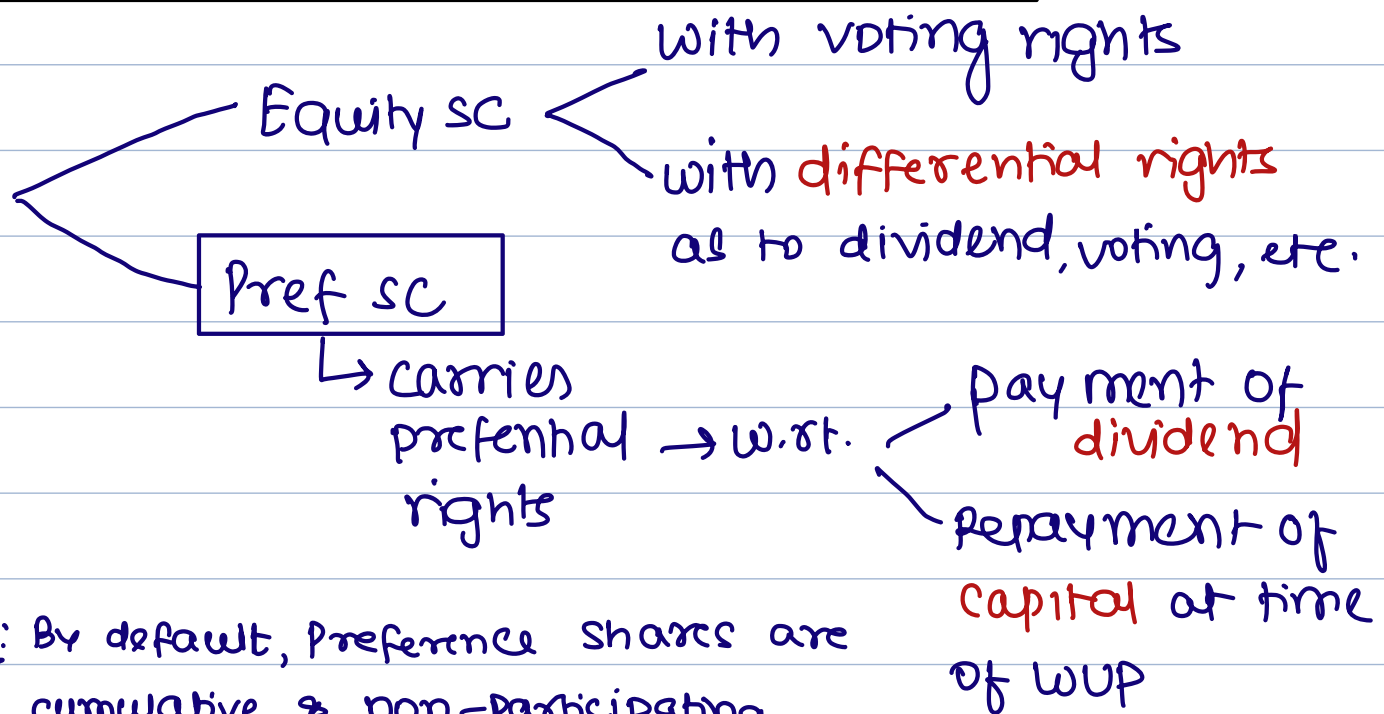


## Section 43 to 72

2(84): Shares include "Stock"  
↳ (atom)

### Section 43: kinds of share capital



Note: By default, Preference shares are cumulative & non-participating

### Equity share with differential rights:

- 1) AOA
- 2) OR (If listed, via PB)
- 3) VP on shares with DR  $\leq 74\%$  of total VP
- 4) omitted
- 5) NO default  $\rightarrow$  FS and AR  $\rightarrow$  Last 3 FY
- 6) NO subsisting default:
  - Dividend
  - Debenture + intl

- Deposit + int.
- Pref. share

7) Co. has not defaulted in: [TEDI]

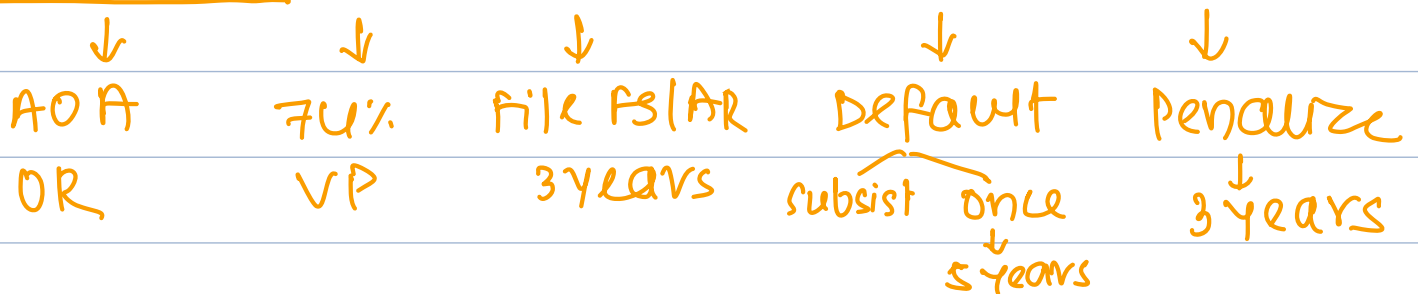
- Dividend on pref. share
- Repayment of T. loan + int.
- Stat. dues w.r.t. employees
- Crediting amt to IEPF

Provided that - DVR may be issued at expiry of **5 years** from end of FY in which default was made good.

8) Co. has not been penalised <sup>court</sup> / <sup>tribunal</sup> in last **3 years** for offence under:

- RBI Act
- SCRA
- Other special act.
- SEBI Act
- FEMA

Remember:



Note:

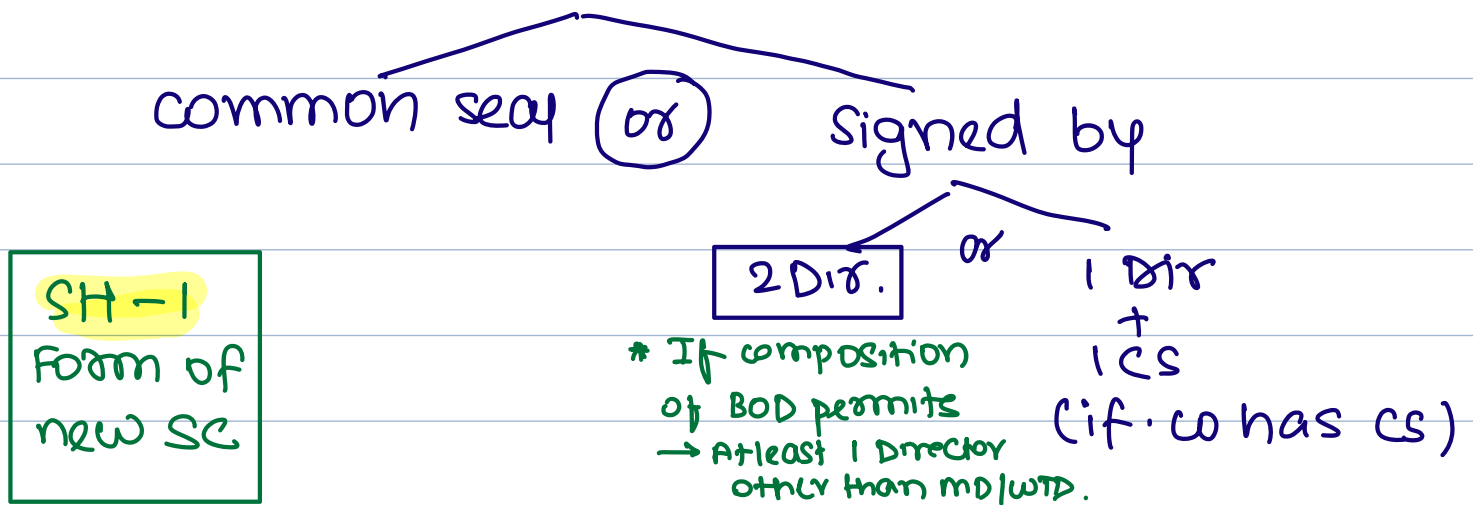
1) Co. not to convert existing ESC with VR into ESC with DVR and vice versa.

2) Holders of DVR shares enjoy all rights

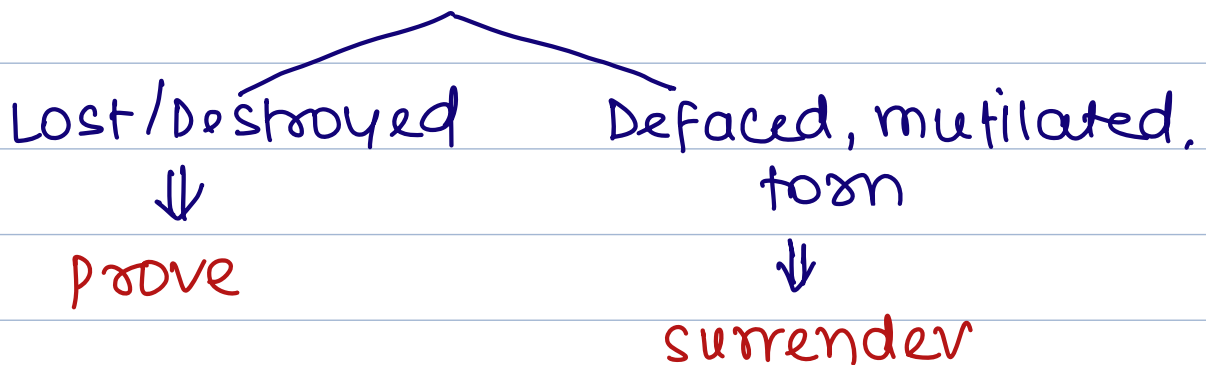
such as bonus, etc. subject to DR with which it was issued.

## Section 46: Share certificate

1) Prima-facie evidence of title if such certificate is issued under:



2) Duplicate certificate if:



Note: Surrender SC

↓  
Immediately deface  
by stamping - "Cancelled"

+ Destroy after 3y ← BR  
Auth. Person

### 3) Manner of issue of duplicate shares:

Time period — [ Unlisted co. — within 3m  
Listed co. — within 45 days ] of subm. of documents

Maintain register of duplicate share certificate:

Form SH-2



At RO or place where register of members is kept



Custody → CS / authorised person.

Consolidation / sub-division → Replace all w/o requiring old ones to be surrendered.

3) Where shares are held in depository form, record of depository ⇒ Prima facie evidence.

4) If co. issued duplicate SC with intent to defraud:  
- Co → min - 5x face v. max - 10x FV or 10% ↑  
- Old → liable u/s 447

Note: Joint ownership → only 1 SC.

## Section 47: Voting Rights (VR)

Equity SC



- Right to vote on every resolution.
- VR in poll shall be in proportion to his share in PUESC of Co.

Preference SC



- Right to vote only in:
  - Directly affect rights of PSH
  - Resolution for winding up of Co.
  - for repayment/reduction of ESC/PSC

[Note: Nidhi →  
max vote on poll = 5% of total VR.]

Note: If dividend w.r.t. PSC has not been paid for  $\geq 2$  years, such class of PSH shall have right to vote on all resolutions.

## Section 48: Variation of SH's right:

1) Rights attached to share of any class may be varied by:

SR

(at separate meeting of such class)

consent (in writing) of  $3/4^{\text{th}}$  of issued shares of that class