

ISSUE OF DUPLICATE SHARE CERTIFICATE -  
UPON TRANSMISSION OF SHARES -TYPICAL CASE STUDY

By

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In this Article, a typical case study has been done with the help of relevant legal provisions applicable to the case and the case law on this subject.

**CASE FOR CONSIDERATION:**

One Mrs. D (hereinafter called Applicant) wife of company's Shareholder has approached the Company for transmission of shares of the Company held in the name of her late husband. As per the death certificate given by the Applicant, death occurred on 01.08.2001, her husband died while serving in Indian Army in J&K. The said death certificate is issued by Police Station Kandi, Koterna, Rajouri, J&K. The applicant in support of her claim pertaining her husband's shares in the Company has submitted following documents:

- (i) Death Certificate as mentioned above
- (ii) Medical Certificate of Cause Death of All Ranks issued by Medical Officer of concerned Unit/Formation of Indian Army
- (iii) Copy of Will;

2: The Applicant in her mail to the Company has stated *"the WILL made by my Husband is a "Privileged WILL under section 63 and section 66 of Indian Succession Act 1925" at the legal cell of his Unit, and all such "Privileged WILL" made in the unit by the Army officer and not required to be probated by the court. They stand legal and authentic and cannot be challenged by any law."* She has also stated *"my husband's death certificate is being issued by the local police station because the place - Koteranka, District Rajouri, J&K, does not have a municipal corporation, and in such cases where MC is not present, the local Police are authorized to issue death certificate under Section 12/17.*

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3: The Applicant doesn't have the details of the share certificates since the share certificates are lying with the Company as non-delivered. However, the Applicant has details of folio number which is HML0077528. The current value of about 250 Equity Shares is approx. Rs.7 lacs. Further, dividends against these shares are unpaid since 2009-2010. It may also be noted that the documents for transmission of shares are sent after twelve years of the death of her husband was/is still the shareholder in the records of the company.

#### **Question for Consideration:**

4: In view of the above mentioned factual position, question has arisen as to:-

- (i) Whether on the basis of the said documents the Company can provide the details of the share certificates to the Applicant; and
- (ii) Whether the Company can initiate the process of transmission of subject shares.

5: The factual position stated above needs to be examined in light of the various legal provisions governing the transmission of shares. The Company being a listed public company is governed by the provisions of Listing Agreement, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 apart from provisions of its Articles of Association and Standard Operating Procedures (the SOPs). **First of all, it will be pertinent to look to the relevant provisions of Indian Succession Act, 1925.**

5.1: Section 56 of the Companies Act, 2013 contains provisions for transmission of shares. Section 56 runs as follows:

#### ***“56. Transfer and transmission of securities.***

*(1) A company shall not register a transfer of securities of the company, or the interest of a member in the company in the case of a company having no share capital, other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer, in such form as may be prescribed, duly stamped, dated and executed by or on behalf of the transferor and the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the company by the transferor or the transferee within a period of sixty days from the date of execution, along*

*with the certificate relating to the securities, or if no such certificate is in existence, along with the letter of allotment of securities:*

*Provided that where the instrument of transfer has been lost or the instrument of transfer has not been delivered within the prescribed period, the company may register the transfer on such terms as to indemnity as the Board may think fit.*

*(2) Nothing in sub-section (1) shall prejudice the power of the company to register, on receipt of an intimation of transmission of any right to securities by operation of law from any person to whom such right has been transmitted.*

*(3).....*

*(4).....*

5.2: Section 56 Sub-section (1) prescribes requirement of proper instrument of transfer which is duly executed, dated and stamped for transfer of shares, but, Sub-section (2) saves cases of transmission from the requirements of Sub-section (1) - which is obvious. But Sub-section (2) does not prescribe the requirements/formalities necessary for exercise of power of Company to register the transmission on receipt of an intimation of transmission of any right to securities by operation of law. Thus, the answer needs to be searched in some other provision of law.

6: Section 24 of the Companies Act, 2013 provides:

***“24. Power of Securities and Exchange Board to regulate issue and transfer of securities, etc.***

*(1) The provisions contained in this Chapter, Chapter IV and in section 127 shall,—*

*(a) in so far as they relate to —*

*(i) issue and transfer of securities; and*

*(ii) non-payment of dividend, by listed companies or those companies which intend to get their securities listed on any recognised stock exchange in India, except as provided under this Act, be administered by the Securities and Exchange Board by making regulations in this behalf;*

*(b) in any other case, be administered by the Central Government.*

*Explanation.—For the removal of doubts, it is hereby declared that all powers relating to all other matters*

*relating to prospectus, return of allotment, redemption of preference shares and any other matter specifically provided in this Act, shall be exercised by the Central Government, the Tribunal or the Registrar, as the case may be.*

*(2) The Securities and Exchange Board shall, in respect of matters specified in subsection (1) and the matters delegated to it under proviso to sub-section (1) of section 458, exercise the powers conferred upon it under sub-sections (1), (2A), (3) and (4) of section 11, sections 11A, 11B and 11D of the Securities and Exchange Board of India Act, 1992.”*

7: Section 24 *inter alia* provides that provision contained Chapter IV (Section 56 forms part of Chapter IV) in so far as they relate to transfer of securities by listed companies would be governed by SEBI. The term “transfer” has not been defined in the Act but by necessary implication it would transmission. The Securities and Exchange Board of India in exercise of necessary power conferred on it has made SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Regulation 40 of the said Regulations deals with transfer/transmission/transposition of securities. Regulation 40 provides:

***“40. Transfer or transmission or transposition of securities.***

*“40. (1) Save as otherwise specified in provisions of securities laws or Companies Act, 2013 and rules made thereunder, the listed entity shall also comply with the requirements as specified in this regulation for effecting transfer of securities.*

*(2) The board of directors of a listed entity may delegate the power of transfer of securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s):*

*Provided that the board of directors and/or the delegated authority shall attend to the formalities pertaining to transfer of securities at least once in a fortnight:*

*Provided further that the delegated authority shall report on transfer of securities to the board of directors in each meeting.*

*(3) On receipt of proper documentation, the listed entity shall register transfers of its securities in the name of the transferee(s) and issue certificates or receipts or advices, as applicable, of transfers; or issue any valid objection or*

*intimation to the transferee or transferor, as the case may be, within a period of fifteen days from the date of such receipt of request for transfer:*

*Provided that the listed entity shall ensure that transmission requests are processed for securities held in dematerialized mode and physical mode within seven days and twenty one days respectively, after receipt of the specified documents:*

*Provided further that proper verifiable dated records of all correspondence with the investor shall be maintained by the listed entity.*

*(4) The listed entity shall not register transfer when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains it from transferring the securities from the name of the transferor(s).*

*(5) The listed entity shall not register the transfer of its securities in the name of the transferee(s) when the transferor(s) objects to the transfer:*

*Provided that the transferor serves on the listed entity, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.*

*(6) The listed entity shall not decline to, register or acknowledge any transfer of shares, on the ground of the transferor(s) being either alone or jointly with any other person or persons indebted to the listed entity on any account whatsoever.*

*(7) The listed entity shall comply with all procedural requirements as specified in Schedule VII with respect to transfer of securities.*

*(8) In case the listed entity has not effected transfer of securities within fifteen days or where the listed entity has failed to communicate to the transferee(s) any valid objection to the transfer, within the stipulated time period of fifteen days, the listed entity shall compensate the aggrieved party for the opportunity losses caused during the period of the delay:*

*Provided that during the intervening period on account of delay in transfer above, the listed entity shall provide all benefits, which have accrued, to the holder of securities in terms of*

*provisions of Section 126 of Companies Act, 2013, and Section 27 of the Securities Contracts (Regulation) Act, 1956:*

*Provided further that in case of any claim, difference or dispute under this sub-regulation the same shall be referred to and decided by arbitration as provided in the bye-laws and/or regulations of the stock exchange(s).*

*(9) The listed entity shall ensure that the share transfer agent and/or the in-house share transfer facility, as the case may be, produces a certificate from a practicing company secretary within one month of the end of each half of the financial year, certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies.*

*(10) The listed entity shall ensure that certificate mentioned at sub-regulation (9), shall be filed with the stock exchange(s) simultaneously.*

*(11) In addition to transfer of securities, the provisions of this regulation shall also apply to the following :*

*(a) deletion of name of the deceased holder(s) of securities, where the securities are held in the name of two or more holders of securities ;*

*(b) transmission of securities to the legal heir(s), where deceased holder of securities was the sole holder of securities;*

*(c) transposition of securities, when there is a change in the order of names in which physical securities are held jointly in the names of two or more holders of securities.”*

First Proviso to Sub-regulation (3) provides the time line for transmission of shares and Sub-regulation (11) read with Para (b) of said Sub-regulation makes the provisions of Regulation 40 applicable to transmission of securities to the legal heir(s), where deceased holder of securities was the sole holder of securities. Sub-regulation (7) provides that the listed entity shall comply with all procedural requirements as specified in Schedule VII with respect to transfer of securities. Schedule VII provides:

## **“SCHEDULE VII: TRANSFER OF SECURITIES**

### **A. REQUIREMENT OF PAN**

*(1) For registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the listed entity for registration of transfer of securities.*

*(2) For securities market transactions and/or for off-market or private transactions involving transfer of shares in physical form, the transferee(s) as well as transferor(s) shall furnish copy of PAN card to the listed entity for registration of such transfer of securities.*

*(3) In cases where PAN card is not available i.e. in case of residents of Sikkim, the requirement of PAN Card may be substituted with Identity proof.*

*(4) In case of mismatch in PAN card details as well as difference in maiden name and current name, in case of married women, of the holder(s) of securities, the listed entity may collect the PAN card as submitted by the transferee(s) or transferor(s) as the case maybe:*

*Provided that this shall be subject to the listed entity verifying the veracity of the claim of such transferee(s) or transferor(s) by collecting sufficient documentary evidence in support of the identity of the transferee(s) or transferor(s).*

### **B. DIFFERENCES IN SIGNATURE**

*(1) In case of minor differences in the signature of the transferor(s), the listed entity shall follow the following procedure for registering transfer of securities:*

*(a) the listed entity shall promptly send to the first transferor(s), via speed post an intimation of the aforesaid defect in the documents and inform the transferor(s) that objection, supported by valid proof, is not lodged by the transferor(s) with the listed entity within fifteen days of receipt of the listed entity's letter, then the securities shall be transferred;*

*(b) if the intimation to the transferor(s) is delivered and the objection from the transferor(s) with supporting documents is not received within fifteen days, the listed entity shall transfer the securities provided the listed entity does not suspect fraud or forgery in the matter:*

*Provided that the listed entity shall maintain proof of delivery for in their record(s).*

*(2) In case of major differences in, or non-availability of, the signature of the transferor(s), the listed entity shall follow the following procedure for registering transfer of securities:*

*(a) The listed entity shall promptly send to the transferee(s), via Speed Post, an Objection Memo along with the documents in original marking the reason as “material signature difference/ non-availability of signature” and an advice to ensure submission of requested documents of the transferor(s);*

*(b) The listed entity shall also send a copy of the Objection memo as per clause (a) of sub-para (2) to the transferor(s), via Speed Post, simultaneously;*

*(c) The above Objection Memo in clause (a) and (b) of sub-para (2) shall also state the requirement of additional documents of transferor(s) as follows for effecting the transfer:*

*(i) an Affidavit to update transferor(s) signature in its records;*

*(ii) an original unsigned cancelled cheque and banker’s attestation of the transferor(s) signature and address);*

*(iii) contact details of the transferor(s) and ;*

*(d) If the intimation to both the transferor(s) and the transferee(s) are delivered, requested documents of the transferor(s) are submitted to the listed entity and the address attested by the bank tallies with the address available in the database of listed entity, the listed entity, shall transfer the securities provided the listed entity does not suspect fraud or forgery in the matter:*

*Provided that listed entity shall maintain proof of delivery in their record(s).*

#### **C.ADDITIONAL DOCUMENTATION REQUIREMENTS IN CASE OF TRANSMISSION OF SECURITIES**

*(1) In case of transmission of securities held in dematerialized mode, where the securities are held in a single name without a nominee, for the purpose of following simplified documentation, as prescribed by*



*the depositories vide bye-laws or operating instructions, as applicable, the threshold limit is rupees five lakhs only per beneficiary owner account.*

*(2) In case of transmission of securities held in physical mode:*

*(a) where the securities are held in single name with a nominee:*

- (i) duly signed transmission request form by the nominee;*
- (ii) original or copy of death certificate duly attested by a notary public or by a gazetted officer;*
- (iii) self attested copy of PAN card of the nominee.*

*(b) where the securities are held in single name without a nominee, a affidavit made on appropriate non judicial stamp paper , to the effect of identification and claim of legal ownership to the securities shall be required and additionally*

*(i) for value of securities, threshold limit of upto rupees two lakh only, per listed entity, as on date of application, one or more of the following documents may be submitted :*

*1. No objection certificate from all legal heir(s) who do not object to such transmission or copy of family settlement deed duly notarized or attested by a gazetted officer and executed by all the legal heirs of the deceased holder;*

*2. indemnity made on appropriate non judicial stamp paper, indemnifying the listed entity ;*

*(ii) for value of securities, threshold limit, more than rupees two lakh, per listed entity, as on date of application, succession certificate or probate of will or letter of administration or court decree shall be submitted;*

*(iii)the listed entity however, at its discretion, may enhance value of securities, threshold limit, of rupees two lakh.”*

8: An analysis of the Schedule VIII shows that for transmission of securities held in physical mode, two different categories are provided which are based on the value of securities. First category is for value of securities, threshold limit, of upto rupees two lakhs as on date of application and for this category, following documentation is prescribed:

- (i) Copy of PAN Card
- (ii) Affidavit made on appropriate non judicial stamp paper , to the effect of identification and claim of legal ownership to the securities, and
- (iii) One or more of the following documents:
  - (a) NOC from legal heir(s) or copy of family settlement deed
  - (b) Indemnity made on appropriate non-judicial stamp paper, indemnifying the listed entity.

Second category is for value of securities, threshold limit, more than rupees two lakhs as on date of application and for this category following documents are required:

- (a) Copy of PAN Card,
- (b) Affidavit made on appropriate non judicial stamp paper , to the effect of identification and claim of legal ownership to the securities, and
- (c) Succession certificate or probate of will or letter of administration or court decree.

These documents will obviously need to be submitted with an application for transmission of shares with details of shares held.

9: It may be noted that listed entity, at its discretion, may enhance value of securities, threshold limit, of rupees two lakhs.

10: Now, let us examine the validity of the death certificate and whether a company accepts only the death certificates issued by the Municipal Corporation. To answer this query the relevant SOPs of the Company are produced below:

***“Transmission of Shares without Succession certificate/Probate of will***

11: To facilitate easier transmission of physical shares held by small investors; some of the companies waive the requirement of producing Probate / Letter of Administration / Succession Certificate for shares up to 500 or shares of market value of Rs.1,00,000 whichever is lower. The legal heirs of the deceased shareholders who hold up to 500 shares or shares of market value of Rs.1,00,000 whichever is lower, need to submit the following documents for transmitting the shares in their name:

- 1.Request for transmission.
- 2.Notarized Copy of death certificate.

3. Letter of Indemnity duly supported by a guarantee of an independent surety acceptable to the Company Secretary, made on appropriate non-judicial stamp paper.
4. An affidavit on appropriate non-judicial stamp paper.
5. (i) No Objection Certificate from the legal heir who do not object to such transmission or  
(ii) Proof about indemnity of the nominee, in case of nomination.
6. Original Share Certificate.

**Since the applicant has already produced the attested/registered will and since getting it probated would take a long time and money, can this procedure be avoided.**

12: It may be appreciated that in order to ascertain that the will in question is the last will and testament made by the deceased, it is important that the same is probated by the Court. It is quite likely that there may be subsequent will and it is well settled law moment subsequent WILL is made previous Will automatically get cancelled. This is to protect the interest of the investors at large and to obviate any future claims/disputes on the same and consequently, undesirable and unwanted claims and allegations against the company.

**If the deceased family member who held shares in his/her own name (single) had left a will, how do the legal heir/s get the shares transmitted in their names?**

13: The legal heirs will have to get the will probated by the Court of competent jurisdiction and then send a copy of the probated will, along with relevant schedule/annexure setting out the details of the shares, the relevant share certificates in original and transmission form for transmission.”

14: It may be noted that SOPs of the Company only requires a “Notarized Copy of Death Certificate” and does not specify that this death certificate has to be issued by the Municipal Corporation. Further, though SOPs can be used to satisfy the compliance requirement their basic purpose is to educate the stakeholder (shareholder in this case) and to ensure uniformity in the performance of specific function. SOPs are not laws and not binding in nature. The question of validity of death certificate is also irrelevant because Schedule VII does not specify death certificate as one of the necessary document in cases of transmission present nature.

15: For the purpose of consideration of the above case, it is also important to look at the Articles of the Company. Though Articles of the Company are not law and do not have force of law, nevertheless, Articles establish contract between the company and members and bind them. Articles also regulate internal management of the Company. The provisions relevant for transmission of shares are contained in Article 46 of the Articles of Association of the Company which reads as under:

***“46. Transmission of registered Shares***

*The executor or administrator of a deceased Member (not being one of several joint- holders) shall be the only person recognised by the Company as having any title to the Shares registered in the name of such Member and in case of the death of any or more of the joint holders of any registered Shares, the survivor shall be the only person recognised by the Company as having any title to or interest such Shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holders from any liability on the Share held by him jointly with any other person. In case of death of the survivor, provisions of Section 72 of the Act shall apply. Before recognising any executor or administrator, the Board may require him to obtain Grant or Probate or Letter of Administration or other legal representation, as the case may be from a competent Court in India, provided nevertheless that in any case where the Board, in its absolute discretion thinks fit, it shall be lawful for the Board to dispense, Letter of Administration or such other legal representation upon such terms as to indemnity, as it considers proper.”*

16: The Article 46 provides that executor/administrator shall obtain Grant or Probate or Letter of Administration or other legal representation, as the case may be from a competent Court in India. The said Article further empowers Board, in its absolute discretion, to dispense, Letter of Administration or such other legal representation upon such terms as to indemnity, as it considers proper. Since the Board does not itself consider each case of transmission, Board in exercise of its discretion has dispensed with this requirement for shares up to 500 or shares of market value of Rs.1,00,000 whichever is lower (as specified in SOP). It may be noted that this limit of Rs. 1,00,000 is not consonance with provision of Schedule VII which at presents stands at Rs. 2,00,000. The provision Schedule VII will prevail over the SOP and relaxed document requirement for limit up to Rs. 200,000 will apply. But, in the instance case since the Company has not enhance the threshold of Rupees Two Lakhs, the Company is bound by Schedule VII and cannot dispense with the requirement of

(a) PAN Card, (b) Affidavit and (c) Succession certificate or probate of will or letter of administration. Though it is open to the Company to enhance this limit, which should be as a matter of policy and not case specific.

17: Let's now turn to the statements made by the Applicant; the Applicant has made two important statements:

- (i) That the WILL made by her Husband is a "Privileged WILL under section 63 and section 66 of Indian Succession Act 1925" (also refer army order 4/91) at the legal cell of his Unit, and all such "Privileged WILL" made in the unit by the Army officer and not required to be probated by the court. They stand legal and authentic and cannot be challenged by any law.*
- (ii) That her husband's death certificate is being issued by the local police station because the place - Koteranka, District Rajouri, J&K, does not have a municipal corporation, and in such cases where MC is not present, the local Police are authorized to issued death certificate under section 12/17. (the circular detailing about section 12/17 has been attached with the mail)"*

18: The second statement made by the Applicant need not be analyzed since as per Schedule VII death certificate is not a mandatory document. Though the Applicant has also send copies of circulars issued by CBSE and Registrar General & Census Commissioner of India, but, has not indicated their purpose nor has Applicant submitted any certificate generated using CRS Application.

19: It is the first statement made by the Applicant that need serious consideration. Sections 65 and 66 are relevant for understanding term "Privileged Will". Relevant portion of Section 65 reads as follows:

*"65. Privileged Wills.- Any soldier being employed in an expedition or engaged in actual warfare, or an airman so employed or engaged or any mariner being at sea, may, if he has completed the age of eighteen years, dispose of his property by a Will made in manner provided in Section 66. Such Wills are called privileged Wills."*

20: It may be noted that Section 65 lays down three conditions for execution of privileged Will:

- (i) Will must be executed soldier, airman or by a mariner,*
- (ii) Executor must have completed age of eighteen years, and*

- (iii) Soldier must be employed in expedition or engaged in actual warfare and in case of mariner he must be on sea.

21: Section 66 deals with mode of making the privileged Will and rules for making privileged Will. Section 66 provides:

*“66. Mode of making, and rules for executing, privileged Wills.—*

*(1) Privileged Wills may be in writing, or may be made by word of mouth.*

*(2) The execution of privileged Wills shall be governed by the following rules:—*

*(a) The Will may be written wholly by the testator, with his own hand. In such case it need not be signed or attested.*

*(b) It may be written wholly or in part by another person, and signed by the testator. In such case it need not be attested.*

*(c) If the instrument purporting to be a Will is written wholly or in part by another person and is not signed by the testator, it shall be deemed to be his Will, if it is shown that it was written by the testator’s directions or that he recognised it as his Will.*

*(d) If it appears on the face of the instrument that the execution of it in the manner intended by the testator was not completed, the instrument shall not, by reason of that circumstance, be invalid, provided that his non-execution of it can be reasonably ascribed to some cause other than the abandonment of the testamentary intentions expressed in the instrument.*

*(e) If the soldier, airman or mariner has written instructions for the preparation of his Will, but has died before it could be prepared and executed such instructions shall be considered to constitute his Will.*

*(f) If the soldier, airman or mariner has, in the presence of two witnesses, given verbal instructions for the preparation of his Will, and they have been reduced into writing in his lifetime, but he has died before the instrument could be prepared and executed, such instructions shall be considered to constitute his Will, although they may not have been reduced into writing in his presence, nor read over to him.*

*(g) The soldier, airman or mariner may make a Will by word of mouth by declaring his intentions before two witnesses present at the same time.*

*(h) A Will made by word of mouth shall be null at the expiration of one month after the testator, being still alive, has ceased to be entitled to make a privileged Will.”*

22: There is no dispute to the fact that late husband of the Applicant was a soldier and in active service of the Indian Army and the “Will” was properly executed and witnessed. There is nothing on record to prove that he was on expedition or employed in actual warfare. In fact the copy of Will supplied by the Applicant in fact fulfills the requirements of “Unprivileged Will” and thus it is not necessary to know whether he was at relevant time authorized to execute “Privileged Will”; the Company cannot otherwise go in to this question. In any event, in the event of wife approaching the civil court for the purpose of issuance of Probate, civil court will examine the authenticity of will and, therefore, the question of legality or authenticity of “WILL” on the part of querist company becomes wholly irrelevant.

23: Wills other than privileged Wills are called unprivileged Wills. Privileged Will is so named because of the privileges enjoyed at the time of making of Will and the privileges are in the nature of relaxation from the rules governing execution of unprivileged Wills. Privileged Will need few and simple formalities all other Wills must be executed in accordance with formalities laid down in Section 63 of the Indian Succession Act, 1925. To understand the privileges, it will be necessary to understand the formalities prescribed under said Section 63 which are as follows:

1. The testator shall sign or shall affix his mark on the will or it shall signed by some other person in his presence and by the direction of the testator.
2. The signature or mark of the testator or the signature of the person signing for him shall be so placed that it shall appear that it was intended thereby to give effect to the writing of a will.
3. The will shall be attested by two or more witnesses each of whom has seen the testator sign and affix his mark on the will or seen some other person sign the will in the presence and by the direction of the testator or has received a personal acknowledgement. These witnesses must be present when the will is being signed and no particular form of attestation is necessary.

24: It is evident that the rules governing execution of “Unprivileged Will” are much stricter than the “Privileged Will”; defence personnel enjoy this privilege owing to difficult situation to which they are put during expedition or actual warfare.

25: The provisions of the Indian Succession Act, 1925, governs grant of probate or letters of administration, do not provide for any relaxation to Privileged Will. The person claiming any right under the Privileged Will must follow the procedure laid down under The Indian Succession Act, 1925 and, therefore, statement by the Applicant to that extent is wrong.

26: It will not be out of place to mention here that shares certificates or scrips of the Company are regarded as security within the meaning of Section 370 (2) of The Indian Succession Act, 1925 and, therefore, it is needless to say, a succession certificate can be obtained in respect of same.

27: It also create high degree of suspicion that the Applicant has approached the Company after twelve years of the death of her husband. Almost similar issue has been decided by the Company Law Board in *Kailash Narayan Bhangadia v. V.S.T. Industries Ltd., (1998) 93 Com Cases 470*. In the said case fourteen years had passed since the death of shareholder and there was no counter claim about the shares from any quarter, the CLB ordered transmission of the shares to shareholder’s son on his complying with the requirement. Thus, time gap of twelve years should not be a deciding criterion for transmission or refusal for transmission of shares.

28: There is no law point on whether on the basis of the documents supplied by the Applicant the Company can provide the details of the share certificates to the Applicant. By supplying the details of share certificates the Company would in fact assist the Applicant in completing the necessary formalities for transmission of shares. By providing these details the Company is not creating any right in favour of applicant, but, Company need to be vigilant while recording transmission of shares which should be strictly in accordance with applicable law and policy of the Company. Thus the first query is replied in affirmative.

29: The Applicant has not satisfied the requirement of documents specified in Schedule VII to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are necessary for transmission of subject shares. Second query is replied in negative and the Company cannot initiate the process of transmission of subject shares.



30: The above issue is a very vexed issued and views of the learned readers are also welcome.