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**Subject - company law**

**Unit-III ( share certificate & share warrant)**

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# **Share Certificate and Share Warrant**

# What is share certificate



A share certificate is a written document signed on behalf of a corporation that serves as legal proof of ownership of the number of shares indicated. A share certificate is also referred to as a stock certificate.

# What is 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.

# Difference between share certificate & share certificate

- (1) A share certificate can be issued both for fully paid up and partly paid up shares. But a share warrant can be issued only in respect of fully paid up shares.
- (2) A share certificate can be issued both for fully paid up and partly paid up shares. But a share warrant can be issued only in respect of fully paid up shares.

# Difference between share certificate & share certificate



(3) The holder of a share certificate is a registered member of the company.

But the holder of a share warrant cannot be a member of the company.

(4) The holder of a share certificate is a registered member of the company.

But the holder of a share warrant cannot be a member of the company.

# Difference between share certificate & share certificate

- (5) A share certificate can be issued without the prior approval of the Central Government. But a share warrant can be issued only with the approval of the Central Government.
  
- (6) A share certificate 'is not a negotiable instrument. But a share warrant is a negotiable instrument.

## Difference between share certificate & share certificate

- (7) The name of the holder of share certificate appears in the share certificate and in the Register of Members. But the name of the person who holds the share warrant does not appear either in the warrant or in the Register of Members.
- (8) Since a share warrant is a negotiable instrument, previous permission of the Reserve Bank of India is also required for issuing share warrants. But it is not required for share certificates.



# Difference between share certificate & share certificate

- (9) The holders of share certificates can apply to the National Company Law Tribunal for the winding up of the company. But the holders of a share warrant cannot file a petition to the National Company Law Tribunal for the winding up of the company.
- (10) No dividend coupons are attached with the share certificates. But in case of share warrants, dividend coupons are attached and the bearer of the coupons can get the dividend.



**THANK YOU**