

Companies Act, 1956

Section 113 - Limitation of Time for Issue of Certificates

Issue of certificate of shares, etc.

¹[(1) Every company, unless prohibited by any provision of law or of any order of any court, tribunal or other authority, shall, within three months after the allotment of any of its shares, debentures or debenture stock, and within two months after the application for the registration of the transfer of any such shares, debentures or debenture stock, deliver, in accordance with the procedure laid down in section 53, the certificates of all shares, debentures and certificates of debenture stocks allotted or transferred:

Provided that the²[Central Government] may, on an application being made to it in the behalf by the company, extend any of the periods within which the certificates of all debentures and debenture stocks allotted or transferred shall be delivered under this sub-section, to a further period not exceeding nine months, if it is satisfied that it is not possible for the company to deliver such certificates within the said periods.]

The expression "transfer", for the purposes of this sub-section, means a transfer duly stamped and otherwise valid, and does not include any transfer which the company is for any reason entitled to refuse to register and does not register.

(2) If default is made in complying with sub-section (1), the company, and every officer of the company who is in default, shall be punishable with fine which may extend to³[five thousand rupees] for every day during which the default continues.

(3) If any company on which a notice has been served requiring it to make good any default in complying with the provisions of sub-section (1), fails to make good the default within ten days after the service of the notice, the⁴[Central Government] may, on the application of the person entitled to have the certificates or the debentures delivered to him, make an order directing the company and any officer of the company to make good the default within such time as may be specified in the order; and any such order may provide that all costs of and incidental to the application shall be borne by the company or by any officer of the company responsible for the default.

⁵[(4) Notwithstanding anything contained in sub-section (1), where the securities are dealt with in a depository, the company shall intimate the details of allotment of securities to depository immediately on allotment of such securities.]

1 . Substituted by Act 31 of 1988, section 17, for the opening portion (w.e.f. 15-6-1988).

2. Substituted by Act 11 of 2003, section 16, for "Company Law Board".

3. Substituted by Act 53 of 2000, section 46, for "five hundred rupees" (w.e.f. 13-12-2000).

4. Substituted by Act 31 of 1988, section 17, for "Court" (w.e.f. 31-5-1991) and again substituted by Act 11 of 2003, section 16, for "Company Law Board".

5. Inserted by Act 22 of 1996, Section 30 and Schedule (w.e.f. 20-9-1995).
