

The Companies Act, 2013

Chapter-VIII Declaration and Payment of Dividend

Section 126: Right to dividend, rights shares and bonus shares to be held in abeyance pending registration of transfer of shares.

* **126.** Where any instrument of transfer of shares has been delivered to any company for registration and the transfer of such shares has not been registered by the company, it shall, notwithstanding anything contained in any other provision of this Act,—

(a) transfer the dividend in relation to such shares to the Unpaid Dividend Account referred to in [section 124](#) unless the company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and

(b) keep in abeyance in relation to such shares, any offer of rights shares under clause (a) of sub-section (1) of [section 62](#) and any issue of fully paid-up bonus shares in pursuance of first proviso to sub-section (5) of [section 123](#).

Reference

*[Effective from](#) 01.04.2014.

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