

## **CLAIMING SHARES/DIVIDEND FROM IEPF AUTHORITY**

### **Section 124 of the Companies Act, 2013 (“Act”)**

Any money transferred to the Unpaid Dividend Account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125.

All shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund

Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed

## **INTRODUCTION TO IEPF**

Pursuant to Section 125(1) of the Companies Act, 2013, The Central Government has established a Fund called as the Investor Education and Protection Fund (herein referred to as the IEPF). Further the manner of its establishment, constitution and administration is prescribed under sub-section (5), (6) and (7) of Section 125 of the Companies Act, 2013. The sole purpose of IEPF is to protect investors’ interests who invest in the Share Market of India and whose dividends have been unpaid.

IEPF Authority is responsible for administering IEPF and such funds can only be utilised for the following purposes prescribed under Section 125(3) of the Companies Act 2013 :-

- a. The refund in respect of unclaimed dividends, matured deposits, matured debentures, the application money due for refund and interest thereon;
- b. Promotion of investors’ education, awareness and protection;
- c. Distribution of any disgorged amount among eligible and identifiable applicants for shares or debentures, shareholders, debenture-holders or depositors who have suffered losses due to wrong actions by any person, in accordance with the orders made by the court which had ordered disgorgement;
- d. reimbursement of legal expenses incurred in pursuing class action suits under sections 37 and 245 by members, debenture-holders or depositors as may be sanctioned by the Tribunal;
- e. and any other purpose incidental thereto,

## Amount Credited to IEPF

- a. the amount given by the Central Government by way of grants after due appropriation made by Parliament by law in this behalf for being utilised for the purposes of the Fund;
- b. donations given to the Fund by the Central Government, State Governments, companies or any other institution for the purposes of the Fund;
- c. the amount in the Unpaid Dividend Account of companies transferred to the Fund under sub-section (5) of section 124;
- d. the amount in the general revenue account of the Central Government which had been transferred to that account under sub-section (5) of section 205A of the Companies Act, 1956 (1 of 1956), as it stood immediately before the commencement of the Companies (Amendment) Act, 1999 (21 of 1999), and remaining unpaid or unclaimed on the commencement of this Act;
- e. the amount lying in the Investor Education and Protection Fund under section 205C of the Companies Act, 1956;
- f. the interest or other income received out of investments made from the Fund;
- g. the amount received under sub-section (4) of section 38;
- h. the application money received by companies for allotment of any securities and due for refund;
- i. matured deposits with companies other than banking companies;
- j. matured debentures with companies;
- k. interest accrued on the amounts referred to in clauses (h) to (j);
- l. sale proceeds of fractional shares arising out of issuance of bonus shares, merger and amalgamation for seven or more years;
- m. redemption amount of preference shares remaining unpaid or unclaimed for seven or more years; and
- n. such other amount as may be prescribed

Provided that no such amount referred to in clauses (h) to (j) shall form part of the Fund unless such amount has remained unclaimed and unpaid for a period of seven years from the date it became due for payment.

## Procedure for claiming share or amount transferred to IEPF

Claimant to claim amount / shares by submitting an online application in Form IEPF-5.

Claimant to submit the print out of Form IEPF-5 along with other documents to the Nodal Officer of the company who at its registered office for verification of the claim.

Company to send the verification report to IEPF within 15 days of receipt of the claim.

IEPF to make transfer of shares and refund of amount through electronic mode.

IEPF to examine completeness of documents and credit, transfer from company into IEPF Authority.

Shareholders of the Company who have had their shares, unclaimed or unpaid dividend money, transferred to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, may claim their shares or unclaimed dividend amount from the IEPF Authority by following the below mentioned steps.

1. Open form IEPF 5 and fill general details (name, Aadhar no, address, CIN, bank details, nominee, beneficiary, details of shares, folio no, details of amount claimed, refund amount details).

Following are the Attachments required in Form IEPF 5:-

i. Mandatory Attachment

- a. Aadhaar Card - Mandatory
- b. Passport, OCI and PIO card of foreigners and NRI – Mandatory
- c. Client Master List of De-mat A/c of the claimant - Mandatory
- d. Proof of entitlement (Bonds/Debentures/Fixed Deposit receipts/Certificate of share/Interest warrant/Dividend warrant, Application No./Statement of transaction etc.) - Mandatory

ii. Optional Attachments

- a. Notarised copy of death certificate
  - b. Notarised succession certificate/Probate/Will
  - c. No Objection Certificate from other holder in case of joint holding.
  - d. Indemnity Bond for Transmission, duly notarized
  - e. Affidavit in form of surety
2. Submit original physical share certificate, original bond, deposit certificate, debenture certificate, as the case may be, indemnity bond in original, copy of acknowledgement and IEPF-5 form along with the other documents as mentioned in the Form IEPF-5 to Nodal Officer (IEPF) of the company at its registered office in an envelope marked "Claim for refund from IEPF Authority".
  3. Forms completed will be verified by the concerned company in 30 days of filing of claim and on the basis of company's verification report; refund will be released by the IEPF Authority in favor of claimants' account through electronic transfer.
  4. On non-receipt of verification report after the expiry of 60 days from the date of filing of Form No. IEPF-5, the Authority may reject Form No. IEPF-5, after sending a communication to the claimant and company, to furnish response within a period of 15 days
  5. An application received shall be disposed off by the Authority within 60 days from the date of receipt of the verification report from the company

### ***In case of loss of securities certificate***

1. In case of loss of securities certificate, firstly procedure for issue of duplicate shares has to be completed with RTA/company.
2. On submission of complete set of documents prescribed by company/ RTA for issuance of duplicate shares certificate, claimant will receive an original confirmation letter from company. On receipt of such confirmation letter, claimant may proceed to file Form IEPF 5 and attach original confirmation letter received from company in place of share certificate(s).
3. Claimant shall submit self-attested physical copy of Form IEPF-5 and its attachment to Nodal Officer (IEPF) along with all the below mentioned additional documents

prescribed under Schedule III of IEPF ACCOUNTS AUDIT TRANSFER AND REFUND Rules 2016:-

- a. Self-attested copy of FIR/ Police Compliant containing information of security holder, holding details, folio number and distinctive numbers of share certificate.
- b. Surety Affidavit of along with his Proof of identity like Pan Card of sureties duly attested by Notary.
- c. Indemnity bond by security holder on a non-judicial stamp paper of requisite value duly attested by Notary Public by the person, in whose name the original share certificate are being issued that he has not sold / disposed off the involved shares or acted in any manner by which any interest of third party would have been created.
- d. Copy of advertisement issued in at least one English language national daily newspaper having nationwide circulation and in one regional language daily newspaper published in the place of registered office of company, if the market value of the shares is greater than Rs 5,00,000.

### ***In case of transmission of securities certificate***

If the claimant is a legal heir, nominee or successor of a registered shareholder, then he or she must make sure that the company completes the transmission procedure and an entitlement letter is issued to him or her, then only he or she files an IEPF claim to the Authority. (Refer Schedule II OF IEPF Accounts Audit Transfer and Refund Rules 2016)

### ***PROCEDURE FOR ISSUANCE OF DUPLICATE SHARES CERTIFICATE***

In order to enhance ease of dealing in securities markets by investors, SEBI vide Gazette Notification no. SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022, has been decided that listed companies shall process the service request for Issue of duplicate securities certificate only in dematerialized form.

Therefore, shareholders holding shares in Physical Form is required to submit Form ISR-4 to the Depository Participant requesting to dematerialize the securities within 120 days from the date of issuance of Letter of Confirmation, received from the RTA/Issuer Company.

#### **Details to be submitted along with ISR 4**

- a. Demat Account Number and Copy of CML
- b. Provide PAN, Specimen Signature in Form ISR-2 and Nomination / Declaration to Opt-out in Form ISR 3, if they are not already available with the RTA
- c. Form ISR- 1 Request for updating any of the details for folios. In this regard
- d. Details of share certificate i.e. Folio No., Certificate No., Distinctive No. etc.

**Form ISR-1:** Request For Registering PAN, Kyc Details Or Changes / Updation Thereof for Securities (Shares / Debentures / Bonds, etc.) of listed companies held in physical form]

**Form ISR-2:** Confirmation of Signature of securities holder by the Banker

**Form ISR 3:** Declaration Form for Opting-out of Nomination by holders of physical securities in Listed Companies

**Form ISR 4:** Request for issue of Duplicate Certificate and other Service Requests (for Securities - Shares / Debentures / Bonds, etc., held in physical form)