



Ministry of Corporate Affairs

Government of India

Ministry of Corporate Affairs – A greater shift towards Ease of Doing Business

Initiatives

The MCA has been continuously announcing various circulars and amendment in the act and rules

- To facilitate corporates during the pandemic stress
- To promote transparency
- To adopt better governance and disclosure mechanisms
- To relook at compliance structures

Various relaxations during the COVID period

- to relieve the compliance stress in conforming with various statutes and regulations.
- allowing companies to conduct their AGMs and EGMs through VC upto 30th June, 2022.
- amending Companies (Indian Accounting Standards) Rules, 2015 to align Ind ASs with amendments made in IFRS so that the Covid 19 related relaxations are extended
- announcing Companies Fresh Start Scheme, 2020 to provide opportunities to Companies to make good any filing related defaults
- regardless of duration of defaults, and make a fresh start as a fully compliant entity & LLPs Settlement Scheme, 2020 for granting similar opportunity to LLPs

relaxations during the COVID period

Contd....

- Other measures consisted of providing relaxation of time for filing forms related to creation or modification of charges
- allowing additional time upto 15th & 31st March, 2022 to companies to file their Financial Statements & Annual returns, respectively, without payment of any additional fees.
- various circulars were issued to clarify that spending of CSR funds for COVID-19 related activities are eligible CSR activities. The Companies (CSR Policy) rules, 2014 was amended

Focus points

- Improve the legal framework
- Simplify procedures
- Speed up decision-making for ease of doing business

1. Enhancing Efficacy of Companies Act, 2013.

- Approx.40 clarifications/elaborations have been made in the form of circulars to remove doubts and facilitated a smooth implementation of Companies Act, 2013.
- Fifteen amendments in various Companies Rules have also carried out to achieve similar objectives
- To derive greater benefits of outcomes of CSR initiatives, relevant rules have been amended enabling wider spread of CSR funding; new items eligible for funding have also been added to provide impetus to sanitation and environment-related concerns.

2. Providing Greater Clarity in Companies Act, 2013 for Ease of Doing Business

- Bring provisions for minimum capital and company seal at par with international best practices.
- Make approval for related party transactions simpler without unduly diluting safeguards for minority shareholders.
- To retain the stringent bail provision only for the serious offences of fraud.
- To rationalize procedural aspects to deal with frauds detected during audit.

3. Simplification for forms and procedures for Easy Compliance

- substitution of a simple declaration in the form itself instead of affidavits for several purposes.
- SPICe+ and AGILE PRO form has been launched which is an next-gen integrated Web form offering 11 services by 3 Central Govt Ministries & Departments allowing to save many procedures, time and cost .
- Fee payable by small companies for various services significantly reduced.
- Arrangements to enable Indian companies to follow new Accounting Standards, de-criminalisation of corporate offences, which are essentially technical or procedural in nature.

4. Dealing with Corporate Delinquency

- SFIO completed the investigations in the affairs of 17 so-called 'Chit Fund Companies' unravelling their modus operandi.
- the clampdown on suspected shell companies
- Initial steps have been taken to cause merger of NSEL Limited with its parent company Financial Technologies (India) Limited to protect the interest of investors in NSEL on account of its regulatory defaults and the failure of the holding company to exercise oversight. This is the first ever initiative.
- Investigation in serious cases of online fraud
- Lessons learnt in this investigation should play a positive role in checking such frauds.
- stepping up the vigil to curb financial misdoings.
- objectives of raising corporate governance standards and ease of doing business go hand in hand.

5. Investor Education initiatives.

- Thousands of programs were conducted in various locations to familiarize small investors of the opportunities and pitfalls in making investments.

MCA initiatives for improving EODB

- India has improved its rank in 7 out of 10 indicators and has moved closer to international best practices.
- ease of doing business ranking issued by the World Bank on account of steps taken by the government in this regard.
- The Ministry of Corporate Affairs has provided exemption to private companies through the Companies (Amendment) Act, 2015, wherein the requirement for minimum paid-up capital was removed.
- As a part of the “Ease of Doing Business” initiative the Central Registration Center (CRC) was established by MCA under Section 396 of the Companies Act, 2013.

MCA initiatives for improving EODB Cont...

- CRC was established with one clear objective i.e. – Applications for Name reservation and Incorporation of a company should be processed and completed within D or D+1 days
- The Ministry of Corporate Affairs launched the Simplified Proforma for Incorporating Company Electronically (SPICe) e-Form in place of INC-29.
- the Ministry has also integrated the MCA21 System with the CBDT for the issue of [PAN](#) and [TAN](#) to a company incorporated using (SPICe).
- Stakeholders can apply for [DIN](#) (Director Identification Number) through SPICe up to three directors.

MCA initiatives for improving EODB Cont...

- After SPICe, MCA launched a new and simplified web-based service R.U.N. (Reserve Unique Name) for reserving a name in place of INC-1. This has also removed the requirement to use a Digital Signature Certificate (DSC) during name reservation.
- Further, the Ministry of Corporate Affairs has amended the LLP Rules, 2009 through Limited Liability Partnership (Second Amendment) Rules, 2018 notified on 18.09.2018 and effective from 02.10.2018.
- The said amendment has introduced RUN-LLP Form in place of LLP Form 1 for reserving the name and FiLLiP Form in place of LLP Form 2 for incorporation,
- earlier LLP incorporation was done in respective ROCs. Now, this process is made centralized to keep it at par with companies and as a part of Starting a business in India.

MCA initiatives for improving EODB Cont...

- zero-fee is to be charged by MCA for all incorporations with an authorized capital up to INR 15, 00,000 via notification dated 06.03.2019.
- Declaration to be given in SPICe e-Form itself, in place of Affidavit which was earlier an attachment.
- inserted Rule 38A to facilitate the integration of the MCA21 system with the registration of [EPFO](#), [ESIC](#), [GST](#) at the time of incorporation of companies in SPICe e-Form.
- Name Availability Rules have been simplified by MCA through Companies (Incorporation) Fifth Amendments Rules, 2019.
- These amended rules provide ample illustrations to avoid ambiguity, Consequently, the name rejection rate has fallen and the time taken for approval has reduced.

MCA initiatives for improving EODB Cont...

- The application for license and incorporation of the said companies are to be submitted in a single form i.e. SPICe. Earlier such a license was obtained through e-form INC-12 from respective ROCs/RDs which is now merged with SPICe.
- **SPICe+ offers 11 services by 3 Central Govt Ministries & Departments (Ministry of Corporate Affairs, Ministry of Labour & Department of Revenue in the Ministry of Finance) and 3 State Governments(Maharashtra, Karnataka, West Bengal) and NCT - Delhi, thereby saving as many procedures, time and cost for Starting a Business in India.**
- i) Incorporation
 - (ii) DIN allotment
 - (iii) Mandatory issue of PAN
 - (iv) Mandatory issue of TAN
 - (v) Mandatory issue of EPFO registration
 - (vi) Mandatory issue of ESIC registration
 - (vii) Mandatory issue of Profession Tax registration(Maharashtra, Karnataka and West Bengal)
 - (viii) Mandatory Opening of Bank Account for the Company
 - (ix) Allotment of GSTIN (if so applied for) and
 - (x) First time registration of shops and establishment for all new companies getting incorporated in Delhi.

MCA initiatives for improving EODB Cont...

- The National Company Law Tribunal (NCLT) for speedy adjudication of disputes with respect to corporate law matters.
- Decriminalization of Penal provisions under Companies Act, 2013 through the Companies (Amendment) Act, 2020 and amendments to LLP Act, 2008.
- Lesser Penalties for Small Companies, One person Companies, Start-ups & Producer Companies for defaults under the Companies Act, 2013 have also been announced.
- To encourage start-ups, many welcome measures have been announced for Small Companies and One Person Companies (OPCs)
- include modifying the definition of Small Companies by enhancing their thresholds for Paid up capital from “not exceeding Rs 50 Lakh” to “not exceeding Rs 2 Cr” & Turnover from “not exceeding Rs 2 Crore” to “not exceeding Rs 20 Cr”.
- This is expected to benefit more than two lakh companies in terms of lesser compliances, lesser filing fees and lesser penalties (in the event of any defaults).
- extension of the fast-track process for mergers under the Act to also include mergers of Startups with other Startups and with small companies
- introduction of new abridged & concise version of Annual Return introduced for small companies and OPCs.
- OPCs have also been incentivized by allowing them to grow without any restrictions on paid up capital and turnover, allowing their conversion into any other type of company at any time, etc.

MCA initiatives for improving EODB Cont...

- The Insolvency and Bankruptcy Code, (2016) is a big statutory reform on bankruptcy.
- The code brings about an amendment into existing 11 laws to offer a consolidated law which defines time limit to resolve insolvency and has a provision of a regulator to oversee the process.
- This will have a big implication of the EODB score.



Investor Education and Protection Fund Authority



Constitution of IEPF Authority

- The IEPF Authority is a statutory body constituted by the Central Government under provisions of sub-section 5 of Section 125 of the Companies Act, 2013, for administration of Investor Education and Protection Fund (IEPF). The Authority became functional from 07.09.2016.
- IEPF Fund utilization : *Refund of unclaimed and unpaid amounts, **promotion of investors' awareness** and **protection of the interests of investors etc.***



Functions of IEPF Authority



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1. To process the refund of:

- Shares
- unclaimed dividend
- matured deposits
- matured debentures
- the application money due for refund or interest thereon
- sale proceeds of fractional shares
- redemption proceeds of preference shares, etc.

2. Promoting awareness among the investors for taking informed decisions before making investments as well as against unauthorized deposit schemes.

3. Enforcement Action against companies for violations related to section 124 and 125 of the Act



Composition of Authority

- The Companies Act provides that the Authority shall consist of a chairperson and six other members, and a chief executive officer.
- The Rules provides the constitution as under:
 - Secretary, MCA - Ex-officio Chairman
 - Three Members with special knowledge or professional expertise in Law, Finance, Management & Accounts etc.
 - A nominee each from RBI and SEBI
 - CEO - Joint Secretary in MCA



Timelines of IEPF



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Provisions of Section 205C: Companies Act, 1956:

1. Transfer of unpaid dividends first started after Companies (Amendment) Act, 1974 to the General Revenue Account of Central Government and only dividends were transferred
2. Relevant rules were notified in the year 1978
 - Company to file form 1 with RoC (Physical mode) with shareholder wise details-Folio etc.
 - RoC to maintain separate accounts for each companies which have transferred the money to General revenue account
 - Claimant was allowed to claim the money from Central Government



Timelines of IEPF contd...



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Section 205C was amended vide Companies (Amendment) Act, 1999 thereby establishing IEPF

- Other amounts were also required to be transferred to IEPF
- Entire amount transferred to General revenue account was made part of IEPF

Rules were again amended in 2001 and following major changes were incorporated:

- Claimants were not allowed to claim the money from Central Government
- Company to file form 1 with RoC (Physical mode)
- Shareholder wise details were discontinued to be submitted to Central Government
- Company was mandated to maintain these details for a period of three years.



Timelines of IEPF contd...



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- 1 INV introduced in 2012; Shareholder wise details were not mandatory
- E-form IEPF-1 notified in 2016 for filing statement of unpaid and unclaimed amounts transferred to IEPF
 - Details of investors are mandatory
 - Claims are allowed
 - Provision for transfer of shares implemented in 2017. The due date for transfer of shares by companies to IEPF was 31st October, 2017



Relevant Sections of Companies Act

| Sr No | Section | Description |
|-------|---------|--|
| 1 | 124 | Unpaid Dividend Account |
| 2 | 125 | Investor Education and Protection Fund |

Relevant Rules of Companies Act

| Effective Date | Description |
|------------------------|--|
| Rules dated 05.09.2016 | The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments dated 28.02.2017, 13.10.2017, 22.05.2018 and 14.08.2020 |



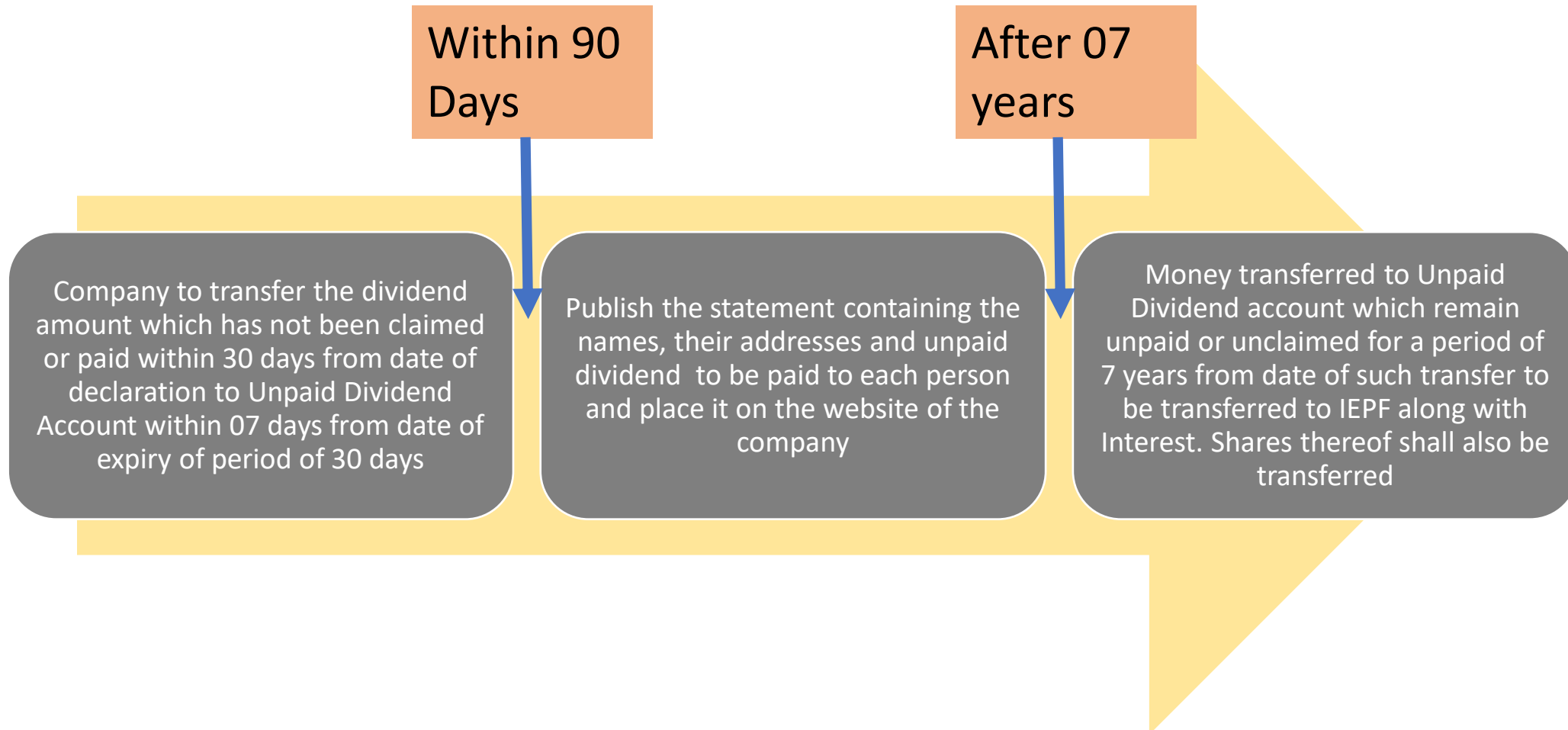
Other Applicable Rules



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| Effective Date | | Description |
|------------------------|--|---|
| Rules dated 13.01.2016 | | The Investor Education and Protection Fund Authority (Appointment of Chairperson and Members, holding of meetings and provision for offices and officers) Rules, 2016 |
| Rules dated 01.11.2016 | | IEPF Authority (Recruitment, Salary and other Terms and Conditions of Service Officers and other Employees) Rules, 2016 |
| Rules dated 11.10.2018 | | Investor Education And Protection Fund Authority (Form of Annual Statement of Accounts) And IEPF Authority (Form and Time of Preparation of Annual Report) Rules,2018 |

Section 124: Key Provisions



Section 125: Key Provisions

Amounts as provided under Section 125 (2) of the Act which have remained unpaid or unclaimed for more than 7 years are to be transferred to IEPF:

- matured deposits
- matured debentures
- the application money due for refund or interest thereon
- sale proceeds of fractional shares
- redemption proceeds of preference shares, etc.
- Other amounts as provided in the section

Filing by Companies to IEPF

| Forms | Description |
|--------------------------|--|
| IEPF Form-1 | Statement of amounts credited to Investor Education and Protection Fund after transfer of amount to IEPF |
| IEPF Form-2 | Statement of unclaimed and unpaid amounts which may become due for transfer to IEPF during next seven years <ul style="list-style-type: none">•Nodal Officer intimation and updation•Modifications to include break up of amount pending in the unpaid dividend account of the company up to the close of financial year and previous seven years (projection for next seven years) |
| IEPF Form-3 (Non-STP) | Statement of shares and unclaimed or unpaid dividend not transferred to the IEPF due to the order of court or Tribunal or any statutory authority |
| IEPF Form-4 | Statement of shares or bonus shares transferred to the Investor Education and Protection Fund |



Filing by Companies to IEPF

| Forms | Description |
|--|---|
| IEPF Form-5 (Non-STP) & E- VR report | Application to the Authority for claiming unpaid amounts and shares out of Investor Education and Protection Fund (IEPF) <ul style="list-style-type: none">•Simplified Web based IEPF 5 e-form.•PAN Based Verification of the claimant•E-Verification submitted online and monitor-able•Claimant will be able to view status of claim online whether pending with company or Authority |
| IEPF Form-7(Non-STP) | Statement of amounts credited to IEPF on Account of shares transferred to the fund – Delisting and Winding Up |
| IEPF 1A | Form to collect legacy data of individual shareholders |

Refund Procedure

Claimant to file e-form IEPF-5 online available on the website along with scanned copy of documents and send physical shares, indemnity bond and advance receipt to the company.



Form will be auto-transferred to the Nodal Officer of the Company



Nodal officer of the company is required to verify the claim and send the scanned copy of cancelled physical share certificate



Nodal Officer to furnish e-verification report to the Authority



Claims are processed in the Authority for online refund



IEPF Rules changes



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- In all e-forms related to IEPF Authority PAN No and DOB will be taken as part of Investor Information (Optional).
- IEPF 2 has been modified to include break up of amount pending in the unpaid dividend account of the company up to the close of financial year.
- Nodal Officer intimation and updation will be done by Company through IEPF 2
- A new form IEPF 1A has been prescribed to collate legacy data.
- Provision of additional fee on non-submission of e-verification report on time.
- **Transmission for shares with IEPFA approved by Authority for which common documentation prescribed within rules**
- **SOP for Authority along with documentation prescribed within rules**

Process Re-engineering in Refund Procedure

EARLIER PHYSICAL PROCESS

Claimant files online application Sends printed copy of IEPF 5 to company for verification along with original certificates **BY POST**



Nodal officer verifies the documents and sends verification report in **PHYSICAL** to IEPF Authority



Claims are processed in the Authority for online refund



Approval/sanction/Rejection letters are **manually** generated

RE-ENGINEERED PROCESS

Claimant files online application SRN SRN will be **Auto-transferred** to the Nodal Officer of the Company in MCA21



Nodal Officer to furnish **e-verification report** to the Authority



Claims are processed in **MCA21** in the Authority for online refund



Approval/sanction/Rejection letters **system generated**



Role of IEPFA in Transmission Process



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| Rule | Existing Rules | Modified Rules |
|---------|--|--|
| R. 7(8) | <p>In case, claimant is a legal heir or successor or administrator or nominee of the registered share holder, he has to ensure that the transmission process is completed by the company before filing any claim with the Authority.</p> | <p>In case, claimant is a legal heir or successor or administrator or nominee of the registered share holder, the claimant shall ensure to submit self-attested scanned copy of all documents detailed in Schedule II online along with the Form IEPF 5.</p> <p>Provided, in case of loss of securities held in physical e-form, he has to ensure to submit self-attested scanned copy of additional documents detailed in Schedule III online along with the Form IEPF 5.</p> <p>Provided further that, the claimant shall submit all these documents duly signed by him, to the nodal officer of the concerned company at its registered office for verification of the claim.</p> <p>Provided further that, the Authority shall dispose such request of transfer or transmission based on the e-verification report of the company subject to verification of such request.</p> |
| R.7(9) | <p>In case, claimant is a legal heir or successor or administrator or nominee of any other registered security or in cases where request of transfer or transmission of shares is received after the transfer of shares by company to the Authority, the company shall verify all requisite documents required for registering transfer or transmission and shall issue letter to the claimant indicating his entitlement to the said security and furnish a copy of the same to the Authority while verifying the claim of such claimant.</p> | <p>In case, claimant is a legal heir or successor or administrator or nominee of any other registered security or in cases where request of transfer or transmission of shares is received after the transfer of shares by company to the Authority, the company shall verify all requisite documents required for registering transfer or transmission and shall issue letter to the claimant indicating his entitlement to the said security and furnish a copy of the same to the Authority while verifying the claim of such claimant through its e-verification report.</p> <p>Provided further that, the Authority shall dispose such request of transfer or transmission based on the e-verification report</p> |



Standard Operating Procedure



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1. The company shall be responsible for verifying the genuineness and entitlement of the claimant by doing the necessary verification through Aadhar Card, PAN Card, Passport, any other Government ID proof, matching of signature and photo etc.
2. The company shall verify such documents as may be required and enumerated in form IEPF-5 and retain the originals submitted by the claimant.
3. The company shall be responsible to verify the amount and shares involved in the claim according to the e-filings made by it to the Authority.
4. The company shall submit e-verification report to the Authority.

Grievance Management and Helpline for Investors

- To assist the claimants in filling the form and knowing the status of their claims a toll free number 1800-114-667 has been opened.
- Around 250 number of calls are received daily.
- An email id iepf@mca.gov.in has also been provided for grievances of investors/claimants.
- The nature of emails is generally regarding inquiry about claim filing and SRN status.



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Compliance and Enforcement Action

- Officers of the Authority were appointed as inspectors u/s 206(4) of CA'13



Compliance and Enforcement Action

- In one major case, M/S The Peerless General Finance and Investment Company limited, deposits pending with company for more than 15 years worth Rs 1514 Cr were transferred to IEPF after enforcement action.
- Number of companies which have transferred shares to authority have increased from 1127 in April 2018 to 1857 as on date



Investor Awareness Initiatives

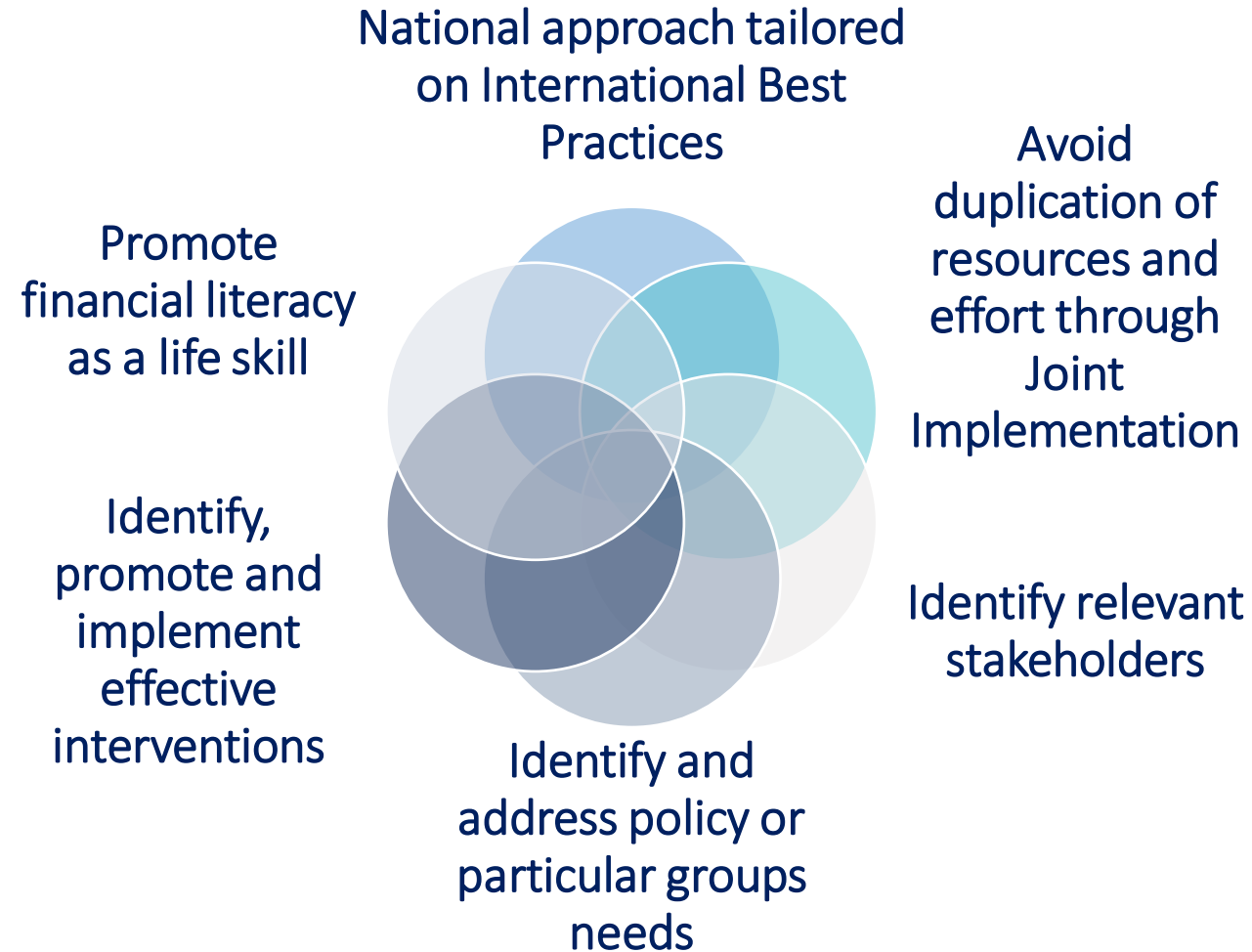


Investor Education (IE) : A Capacity building process (OECD Definition)

*“by which investors improve their **understanding** of financial products and concepts; and through **information, instruction and/or objective advice** develop the **skills and confidence** to become more **aware** of financial risks and opportunities to make **informed choices**, to know where to go for help, and take other **effective actions** to improve their financial **well-being**”.*

*Outcome:
Improved financial literacy/capability*

National Policy on Investor Education



Investor Awareness Initiatives

- Investor Awareness Programmes
 - ✓ Professional Institutes (ICSI, ICAI, ICoAI) in urban areas
 - ✓ CSC e-governance Services Private Limited in Rural areas.
- Jingles on All India Radio on FM Rainbow and Vividh Bharti Channels
- Crawlers on Doordarshan News Channel and Regional Kendra's
- Advertisements in newspapers
- Awareness messages through SMS

Media Advocacy and Awareness programmes

- **Objective** :to adopt proactive approach to achieve the mandate IEPFA which is of promoting investor education, awareness and protection.
- **Approach** :
 - (i) Release of Media Campaigns through **Print and Electronic** (All India Radio and Doordarshan)
 - (ii) Conduction of Direct **Investor Awareness Programmes(IAPs)** in Rural and Urban areas through programme institutes and other partnerships.
 - (iii) Collaborations with various organisations** for spreading the awareness and engaging with other stakeholders with the common goal by using cobranded collaterals.
 - (iv) Media campaigns through new mediums viz., Bulks SMS Campaign etc.
 - (v) Information dissemination through **Social Media & digital platforms,**

Media and Publicity activities of IEPFA in 2019-2020

- **Print Publicity** by way of release of Print Advt (display and classified) through BOC Bureau of Outreach and Communication BOC (erstwhile DAVP) for informing general public about migration of IEPFA from manual claim refund process onto online claim refund process
- Release of **Bulk SMS campaign** (5 day campaign) through DAVP (17th to 22nd October and 6th & 16th march 2020)
- Published **wall calendar and Desk Calendar of IEPFA** for the year 2020
- Release of campaign by pushing **scroll messages on Doordarshan** (Prasar Bharti) for 180 days w.e.f 22nd October 2019.
- Panel discussion programme (two episodes) on **All India Radio**.
- Participation of IEPFA in **panel discussion programme of DD Urdu**.
- Participation of CEO IEPFA in “ **New India Sankalp 2.0**” **panel discussion** programme of Doordarshan featuring Ease of Doing Business, MCA
- **Activation of all Official Social Media accounts of IEPFA** in order to enhance digital presence and enhance citizen engagement.
- Development of Corporate film of IEPFA, IEPFA Portal launch film.

Key Initiatives

- **Signing of MOU with NYKS** for Investor Awareness Programme through NEHRU YUVA KENDRA Sangathan in 8 States , 50 Districts and 250 Blocks of Northern India.
- **Collaboration with India Posts Payments Bank (IPPB)** for Investor Awareness and Financial Literacy Camps by signing of MOA for holding of 4404 Investor Awareness and Financial Literacy Camps by 23 Postal circles, 650 Branches ,covering all states from May to July, 2020. The activity would include display of co branded standees in IPPB Branches.
- **MOUs with other Banks** : Signing of Memorandums of Understanding with Bank of Baroda , Kotak Mahindra Bank, ICICI Bank for collaboration on various digital collaterals , without incurring any cost.

**BE AN INFORMED
AND EMPOWERED
INVESTOR**



Investor Education and
Protection Fund

Investor Education and Protection Fund (IEPF) is for promotion of investor's awareness and protection of their interests.



Broad categorization of claims filed with Authority

| Cases | Documents Required |
|--------------------------------------|--|
| Minor Difference in Name | Same name affidavit |
| Major name in Difference | Newspaper or Gazette Publication |
| Difference in address | Notarized Affidavit and New address Proof |
| Loss of Original Security | FIR Copy. Copy of share certificated under 6(3)(d) |
| Unclaimed Suspense Account | Transaction statement and CML of Company's Unclaimed Suspense Account |
| Name Difference on Death Certificate | Same name affidavit by Legal Heir |
| Claim with No excel data in MCA 21 | On the basis of challan & year wise details submitted by the company duly verified by the Nodal Officer evidencing that the amount and share actually transferred to IEPF. |

In all these cases Authority relies on VR of Company U/R 7(3) and Entitlement letter U/R 7(8) or 7(9) issued by company subject to complete liability of company under rule 7(11) of IEPF Rules 2016.



Credits to IEPF

According to Section 205C of the Companies Act, 1956, the following amounts that remained unpaid and unclaimed for a period of seven years from the date they became due for payment is credited to the fund:

- Amounts in the unpaid dividend accounts of the companies
- the application moneys received by companies for allotment of any securities and due for refund
- matured deposits with companies
- matured debentures with companies
- the interest accrued on the amounts referred to in clauses (i) to (iv)
- grants and donations given to the fund by the Central Government, State Governments, companies or any other institutions for the purposes of the fund; and
- the interest or other income received out of the investments made from the fund



Credits to IEPF

According to Section 125 of the Companies Act, 2013, there shall be credited to the fund:

- 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;
- donations given to the Fund by the Central Government, State Governments, companies or any other institution for the purposes of the Fund
- the amount in the Unpaid Dividend Account of companies transferred to the Fund under subsection (5) of section 124;
- 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;
- the amount lying in the Investor Education and Protection Fund under section 205C of the Companies Act, 1956 (1 of 1956);



Credits to IEPF cont....

- the interest or other income received out of investments made from the Fund;
- the amount received under sub-section (4) of section 38;
- the application money received by companies for allotment of any securities and due for refund;
- matured deposits with companies other than banking companies;
- matured debentures with companies;
- interest accrued on the amounts referred to in clauses (h) to (j);
- sale proceeds of fractional shares arising out of issuance of bonus shares, merger and amalgamation for seven or more years;
- redemption amount of preference shares remaining unpaid or unclaimed for seven or more years; and
- such other amount as may be prescribed:



Credits to IEPF cont....

- Shares have been credited to the fund in accordance with Section 124(6) of Companies Act, 2013 which states that all shares in respect of which 1 [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.
- The provision comes into effect in year 2017 and the first due date for transfer of shares for all the companies was 31.10.2018



Documents required for transmission

Physical Holding

- Singly with nomination:
 - Duly signed transmission request form by the nominee.
 - Original or copy of death certificate duly attested
 - Self-attested copy of PAN card.
 - Original share certificate(s).
 - Any other government ID proof of the nominee.



Documents required for transmission

Physical Holding

Singly without nomination: (In addition to the above documents)

1. Affidavit from all the legal heirs made on appropriate non-judicial stamp paper- to the effect of identification and claim of legal ownership to the securities. Provided that in case the legal heir(s)/claimant(s) is named in the succession certificate or probate of will or will or Letter of Administration, an Affidavit from such legal heir(s)/claimant(s) alone would be sufficient.

2. For value of securities up to Rs 2,00,000 (Rupees Two lakh only) per issuer company as on date of application, one or more of the following documents:

a. Succession certificate or probate of will or will or letter of administration or court decree, as may be applicable in terms of Indian Succession Act, 1925.

b. In the absence of the documents as mentioned at (a) above,

i. No objection certificate [NOC] from all legal heir(s) executed by all the legal heirs of the deceased holder not objecting to such transmission (or) copy of Family Settlement Deed duly notarized

and

ii. An Indemnity bond made on appropriate non-judicial stamp paper – indemnifying the STA/Issuer Company/IEPF Authority.

For value of securities more than Rs. 2,00,000 (Rupees Two lakh only) per issuer company as on date of application: Succession certificate or probate of will or will or letter of administration or court decree, as may be applicable in terms of Indian Succession Act, 1925.



Documents required for transmission

Physical Holding

- Jointly with nomination:
 - Duly signed transmission request form by the nominee.
 - Original or copy of death certificate(s) of all the joint holders duly attested
 - Self-attested copy of PAN card.
 - Original share certificate(s).
 - Any other government ID proof of the nominee.



Documents required for transmission

Physical Holding

Jointly without nomination: (In addition to the above documents)

1. Affidavit from all the legal heirs made on appropriate non-judicial stamp paper- to the effect of identification and claim of legal ownership to the securities. Provided that in case the legal heir(s)/claimant(s) is named in the succession certificate or probate of will or will or Letter of Administration, an Affidavit from such legal heir(s)/claimant(s) alone would be sufficient.

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i. No objection certificate [NOC] from all legal heir(s) executed by all the legal heirs of the deceased holder not objecting to such transmission (or) copy of Family Settlement Deed duly notarized

and

ii. An Indemnity bond made on appropriate non-judicial stamp paper – indemnifying the STA/Issuer Company/IEPF Authority.

For value of securities more than Rs. 2,00,000 (Rupees Two lakh only) per issuer company as on date of application: Succession certificate or probate of will or will or letter of administration or court decree, as may be applicable in terms of Indian Succession Act, 1925.



Documents required for transmission

DEMAT Holding

- Singly with nomination:
 - Duly signed transmission request form by the nominee.
 - Original or copy of death certificate duly attested
 - Self-attested copy of PAN card.
 - Copy of transaction statement duly certified by Depository Participant.
 - Any other government ID proof of the nominee.



Documents required for transmission

DEMAT Holding

Singly without nomination: (In addition to the above documents)

1. Affidavit from all the legal heirs made on appropriate non-judicial stamp paper- to the effect of identification and claim of legal ownership to the securities. Provided that in case the legal heir(s)/claimant(s) is named in the succession certificate or probate of will or will or Letter of Administration, an Affidavit from such legal heir(s)/claimant(s) alone would be sufficient.

2. For value of securities up to Rs 2,00,000 (Rupees Two lakh only) per issuer company as on date of application, one or more of the following documents:

a. Succession certificate or probate of will or will or letter of administration or court decree, as may be applicable in terms of Indian Succession Act, 1925.

b. In the absence of the documents as mentioned at (a) above,

i. No objection certificate [NOC] from all legal heir(s) executed by all the legal heirs of the deceased holder not objecting to such transmission (or) copy of Family Settlement Deed duly notarized

and

ii. An Indemnity bond made on appropriate non-judicial stamp paper – indemnifying the STA/Issuer Company/IEPF Authority.

For value of securities more than Rs. 2,00,000 (Rupees Two lakh only) per issuer company as on date of application: Succession certificate or probate of will or will or letter of administration or court decree, as may be applicable in terms of Indian Succession Act, 1925.



Documents required for transmission

DEMAT Holding

- Jointly with nomination:
 - Duly signed transmission request form
 - Original or copy of death certificate(s) of all the joint holders duly attested Self-attested copy of PAN card.
 - Copy of transaction statement duly certified by Depository Participant.
 - Any other government ID proof of the nominee.



Documents required for transmission

DEMAT Holding

Jointly without nomination: (In addition to the above documents)

1. Affidavit from all the legal heirs made on appropriate non-judicial stamp paper- to the effect of identification and claim of legal ownership to the securities. Provided that in case the legal heir(s)/claimant(s) is named in the succession certificate or probate of will or will or Letter of Administration, an Affidavit from such legal heir(s)/claimant(s) alone would be sufficient.

2. For value of securities up to Rs 2,00,000 (Rupees Two lakh only) per issuer company as on date of application, one or more of the following documents:

a. Succession certificate or probate of will or will or letter of administration or court decree, as may be applicable in terms of Indian Succession Act, 1925.

b. In the absence of the documents as mentioned at (a) above,

i. No objection certificate [NOC] from all legal heir(s) executed by all the legal heirs of the deceased holder not objecting to such transmission (or) copy of Family Settlement Deed duly notarized

and

ii. An Indemnity bond made on appropriate non-judicial stamp paper – indemnifying the STA/Issuer Company/IEPF Authority.

For value of securities more than Rs. 2,00,000 (Rupees Two lakh only) per issuer company as on date of application: Succession certificate or probate of will or will or letter of administration or court decree, as may be applicable in terms of Indian Succession Act, 1925.



Documents required for loss of Physical Security

- Copy of FIR/ Police Complaint containing information of security holder, holding details, folio number and distinctive numbers of share certificate.
- Surety Affidavit of value equal to market value that of shares as on date of execution along with his Proof of identity like Pan Card of sureties duly attested by Notary.
- Indemnity bond on a non-judicial stamp paper of requisite value 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.
- 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 the company is situated, if the value of the securities as on the date of claim is more than Rs 10,000.

Reasons of Resubmission/ Discrepancies:

a) Resubmission:

- In case of Physical shares: Folio no. is not mentioned or wrongly mentioned
- In case of Demat : Demat Account number is not mentioned
- Wrong Aadhaar/ PAN detail
- Wrong Bank Detail

Reasons of Resubmission/ Discrepancies: Contd..

b) Discrepancies:

1. Physical Share Certificate Lost/ Misplaced
2. Entitlement Letter under Rule 7(9) after completion of transmission/ transfer process is not provided
3. RTA Statement is **not provided**
4. Client Master list is **not provided**
5. Mismatch in name and address of claimant with KYC and company records
6. KYC documents i.e. Aaddhar, PAN, Passport etc. are not provided
7. **Shortfall in Documents:**
 - Indemnity Bond executed on plain paper
 - Revenue stamp not affixed on Advance Receipt
 - Name is not printed on cancelled cheque
8. **Verification Report:**
 - Not as per prescribed format
 - Mismatch in Amount and shares mentioned in RTA statement and Verification Report
 - Offline Challan no./ SRN of INV-1/ IEPF-1/ IEPF-4 are not mentioned
9. Copy of offline challans and excel sheets are not provided

Reason of Rejections:

1. Wrong CIN and Company detail
2. Multiple Filing with other SRN
3. Resubmission is not completed with prescribed time limit
4. Request received from claimant
5. Amount/ Shares are not transferred to IEPF
6. **Claim filed in the name of deceased shareholder**
7. Rejection under Rule 7(3)
8. Rejection under Rule 7(7)



Ministry of Corporate Affairs
Government of India

Thanks