"IEPF: BRIDGING THE GAP BETWEEN INVESTORS AND THEIR UNCLAIMED DIVIDENDS"

Under **Section 125 of the Companies Act, 2013**, the Central Government established the Investor Education and Protection Fund (IEPF) to promote investor awareness and protect their interests. On **September 7, 2016**, the Government of India set up the IEPF Authority to administer this fund. The Authority is responsible for:

- Managing the IEPF.
- Issuing refunds of shares, unclaimed dividends, and matured deposits/debentures to investors.
- Promoting awareness among investors.

Utilisation of Investor Education and Protection Fund (IEPF) as per Section 125(3): -

- Refunds for matured debentures, deposits, unclaimed dividends, and due application money with interest.
- Promoting investor awareness, education, and protection.
- Distributing disgorged amounts to eligible investors as per court orders.
- Reimbursing legal expenses for class-action suits sanctioned by the National Company Law Tribunal.
- Any other related purposes.

What is the mandated time period for transferring unclaimed dividends to the IEPF?

Unclaimed or unpaid dividends must be credited to the IEPF **within 30 days** of becoming due. Companies must remit the amount online and submit details via **Form IEPF-1.**

What is the process for claiming unclaimed dividends from the IEPF?

1. Companies must transfer unclaimed or unpaid dividends to the Fund online and submit a Form No. IEPF-1 within 30 days of the amounts becoming due.
2. The amount may also be remitted by Electronic Fund Transfer in such manner, as may be specified by the Central Government.
3. Upon receiving the statement, the Authority will record the details in a register and reconcile the remitted amounts with the designated bank monthly.
4. Each designated bank shall furnish an abstract of such receipts during the month to the Authority within seven days after the close of every month.

5. Under sub-rule 5(1), the company must keep records and supporting documents in the same format, and the Authority has the right to inspect them.

What is the purpose of filing all IEPF Forms?

FORM No.	PURPOSE
IEPF-1	To deposit unclaimed amounts into the IEPF after 7 years within 30 days of the amount becoming due
IEPF-2	It is filed by the Company to intimate the IEPF Authorities about the unpaid or unclaimed amounts with the Company in the Financial Year and for appointment/cessation of Nodal/Deputy Nodal Officer
IEPF-3	It is filed by the Company to intimate the IEPF Authorities about the amount due to transfer to IEPF, however not transferred due to the Order of Court or Tribunal or any Statutory Authority
IEPF-4	Inform the depository via corporate action for transfer to the Authority's DEMAT account. The depository must complete the transfer within 30 days. Attach a copy of the public notice (Rule 6(3)(a) of the IEPF Rules, 2016) published three months before the transfer due date in **Form IEPF-4**.
IEPF-5	It is filed by the Claimant to claim back the Shares/Amount already transferred to IEPF
IEPF-6	is filed by the Company to intimate the IEPF Authorities about the amount already transferred to IEPF realised from proceeds received due to delisting/surrender of Shares or further Dividend realised
IEPF-7	Statement of amounts transferred to IEPF Account due to – The proceeds realised from surrender of Shares by Authority due to delisting of Shares The proceeds realised from surrender of Shares by Authority due to winding up of Company Any further dividend realised on such Shares

CASE RELATED TO IEPF

The order against **Pincon Spirits Ltd.** involves several penalties to enforce compliance and protect investors. Under Section 11B of the SEBI Act, 1992, the company faces a suspension of trading, a refund directive to investors, and debarment of key managerial personnel from listed companies. Additionally, Section 12A of the SEBI Act, 1992, and SEBI regulations impose monetary penalties and disgorgement of wrongful gains. The company must also rectify financial discrepancies and undergo a forensic audit to ensure transparency and accuracy in reporting. These measures are designed to uphold market integrity and investor protection.