

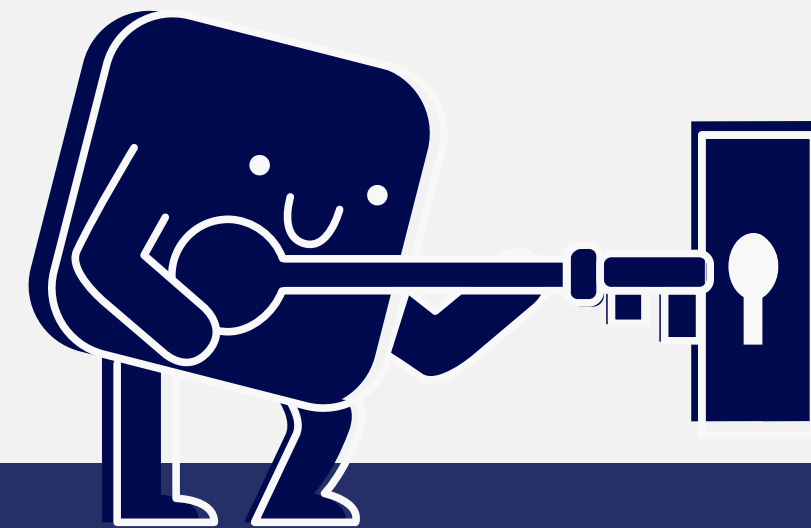


# THE WEALTH FINDER LOST WEALTH RECOVERY CONSULTANTS





# Unlocking IEPF



**Understanding the Issues and Challenges  
faced by Investors**

# **PRESENTATION OUTLINE**

## **1. Speaking Numbers**

## **2. All About Physical Shares**

- a. Law behind transfer of physical shares
- b. Process for dematerialization of shares
- c. Issues faced by Investors

## **3. All about IEPF**

- a. Reasons for transfer of shares to IEPF;
- b. Process of claiming shares
- c. Issues faced by Investors

## **4. Common Misconceptions on part of Investors**

## **5. Advisory Note for Investors**

# SPEAKING NUMBERS....

Value in Crores

IEPF HOLDING		
<b>Top 10</b>	IEPF	22.50%
	<b>MV</b>	<b>10055</b>
<b>Top 200</b>	IEPF	81.37%
	<b>MV</b>	<b>36305</b>
Overall Shares gone to IEPF		<b>44615</b>

# SPEAKING NUMBERS....

Value in Crores

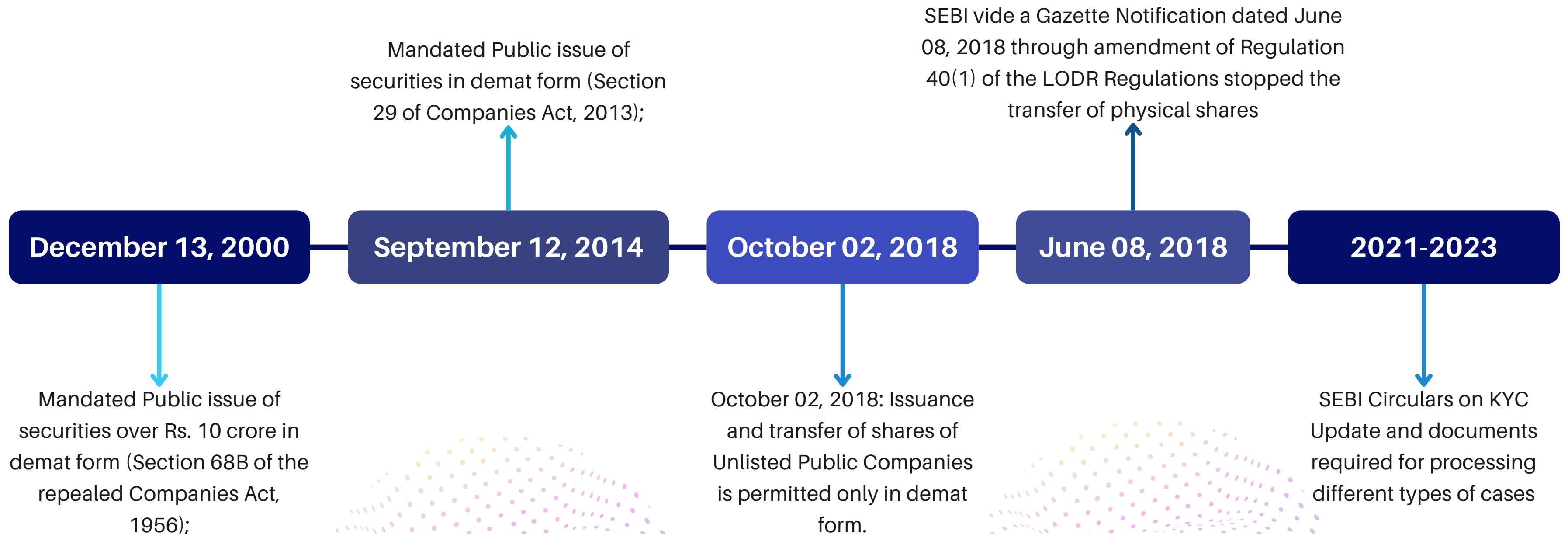
PHYSICAL SHARES		
<b>Top 10</b>	Physical Shares	68%
	<b>MV</b>	<b>315,526</b>
<b>Top 200</b>	Physical Shares	95.00%
	<b>MV</b>	<b>437,906</b>
Overall Market Value of Physical Shares of Listed Companies		<b>463255</b>

# STORY OF PHYSICAL SHARES

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# Why Dematerialization of Shares Important?





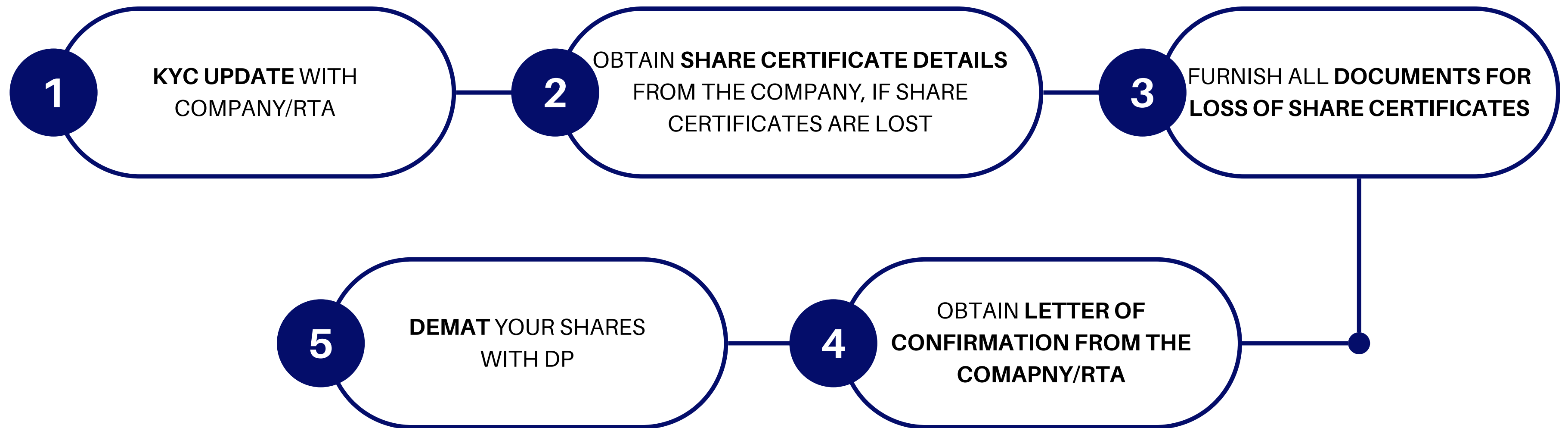
# PROCEDURE FOR DEMAT OF SHARES AND CHALLENGES FACED BY INVESTORS

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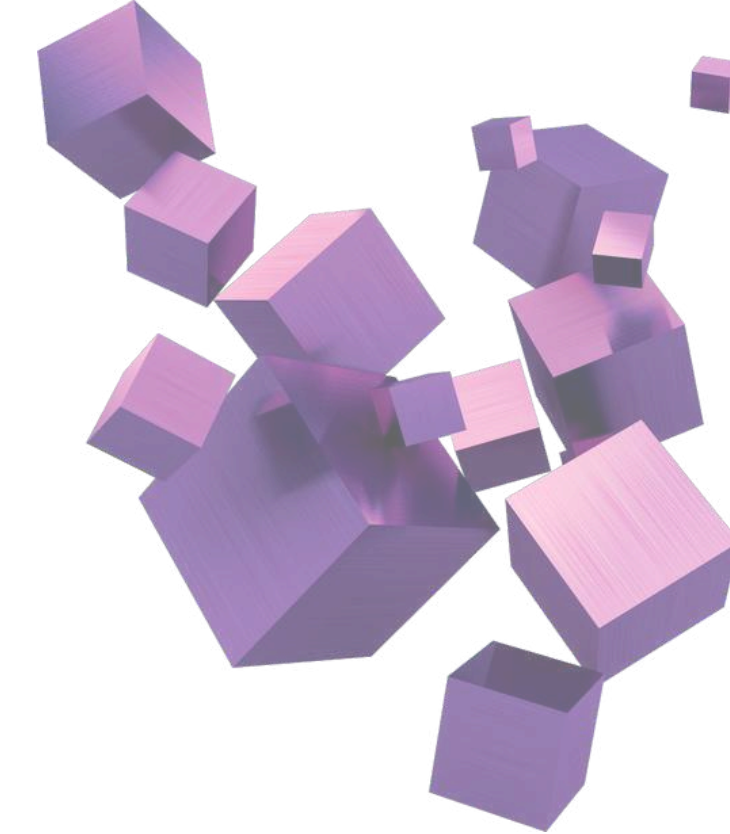


## Process of Demat of Shares

WHEN SHAREHOLDER IS ALIVE



Step no. 2,3 and 4 is applicable only in case share certificates are not available



## Process of Demat of Shares

WHEN SHAREHOLDER IS NOT ALIVE



Step no. 2,4 and 5 is applicable only in case share certificates are not available



### KYC RELATED

PAN and Adhaar.  
OCI/Passport in case of NRIs

Bank Details: Original Cancelled  
Cheque

Demat Account Details: Client  
Master List

Signature Verification from Bank



### IN CASE OF LOSS OF SHARES

First Information Report/Lost Report

Affidavit and Indemnity

Newspaper Advertisement in case  
market value of shares exceeds 5  
Lakhs

Surety Affidavit



### TRANSMISSION CASES

Death Certificate of the Shareholder

Succession Documents like Will/Probate of  
Will/Legal Heir Certificate/ Succession  
Certificate depending on market value of  
shares

Affidavit and Indemnity

NOC from non claimants

These Documents along with ISR Forms are given to the Company/RTAs for request processing



# CHALLENGES IN PROCESS OF DEMATERIALISATION

**1**

## KYC Update

- Name related;
- Address related;
- Demat account and bank details;
- Signature related

**2**

## Lost Share Certificates

- Surety Affidavit
  - Requirement
  - No of sureties,
  - Requirement of ITR copies

**3**

## Death of Original Share holder

- Family Disputes;
- Jurisdiction to apply;
- Procedural Delays;
- Requirement Condition;
- Will vs Probate of Will;
- Nominee vs Legal Heir

**4**

## Procedural Related

- Multiple and frequent requests;
- Multiple formats of RTAs and Companies;
- Notarization and Stamping related issues

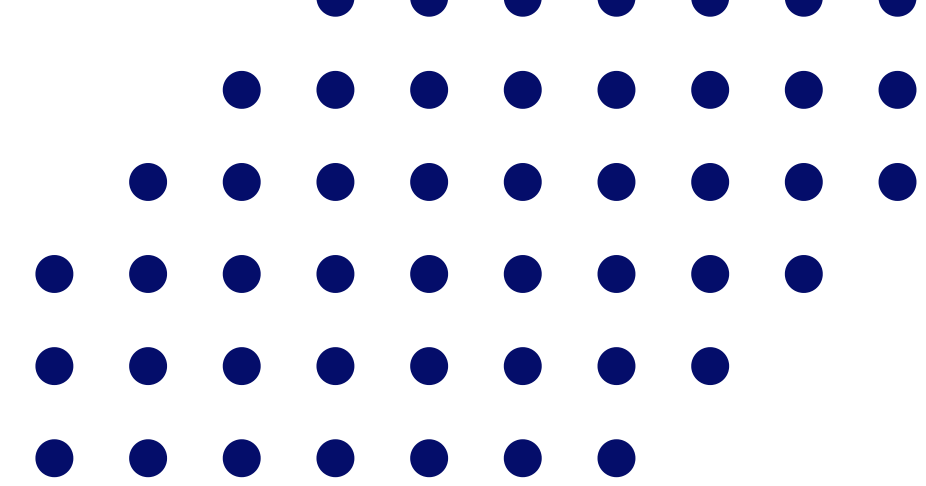
**5**

## Unjustified and delayed replies of RTAs and Companies

# All about IEPF

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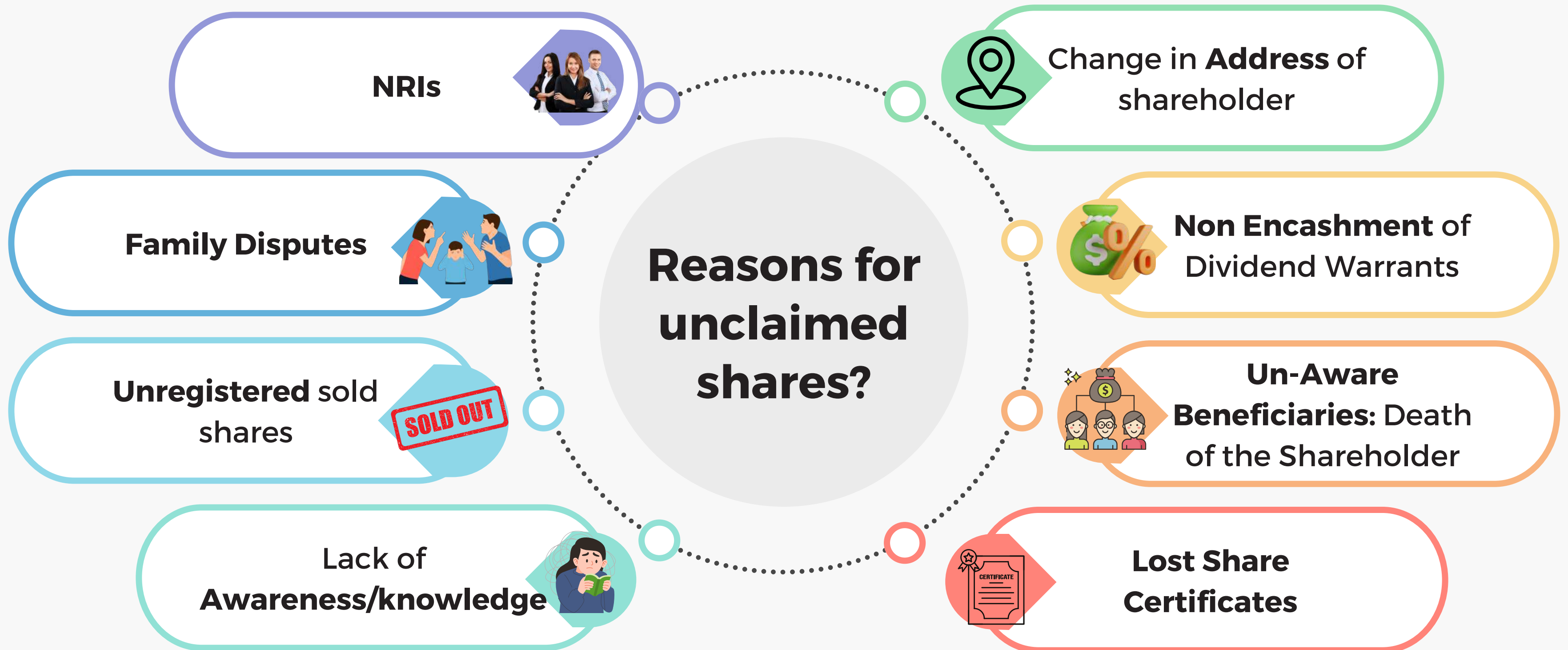
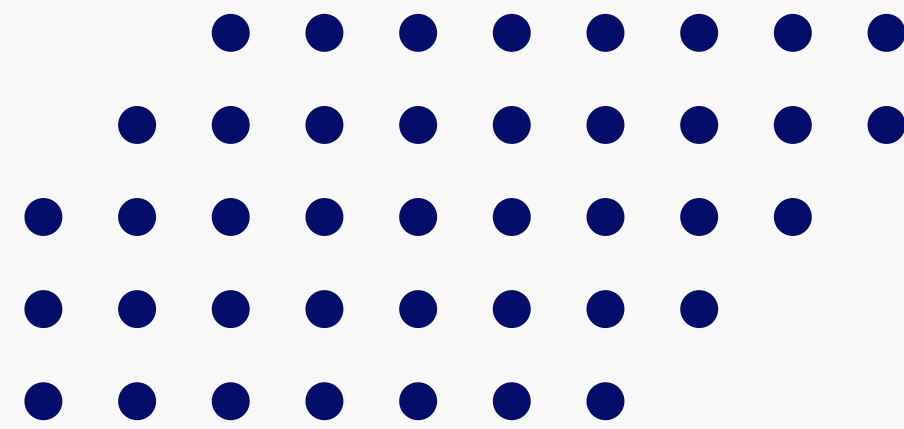


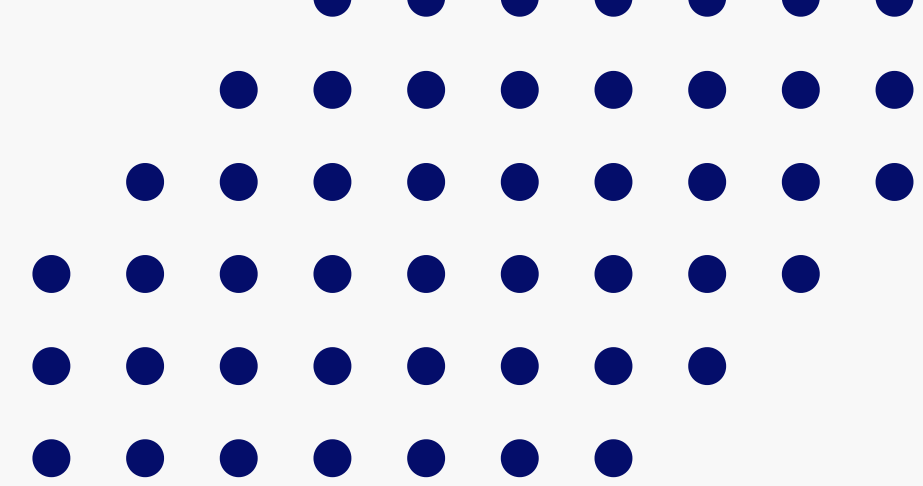
# PROVISION SAYS.....



- Government of India has established IEPF Authority under Section 125 of the Companies Act, 2013 to administer the IEPF, the fund.
- Under Sections 124 & 125 of the Companies Act, 2013, certain amounts lying unpaid with the company are required to be transferred to IEPF. Also shares in respect of which dividend has not been paid or claimed for seven consecutive years are required to be transferred by the company in the name of IEPF. Any person claiming to be entitled to the amounts or shares so transferred may claim amounts or shares from IEPF.







## Process of IEPF CLAIM



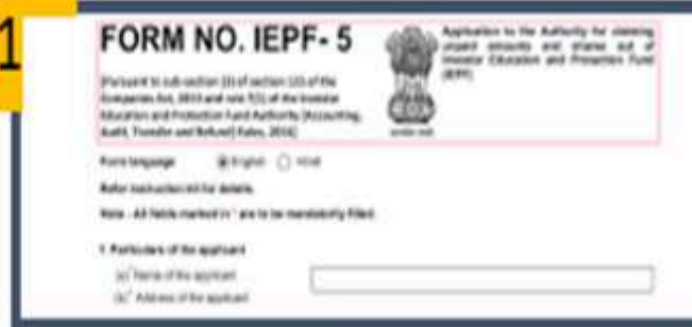
# PROCEDURE TO FOLLOW BEFORE IEPF CLAIM

Shareholder Alive	Shareholder Not Alive
KYC Verification of Shareholder	KYC Verification of Claimant
Furnish all documents for loss of shares, in case there is loss of shares	Furnish all documents for loss of shares, in case there is loss of shares
Obtain Letter of Entitlement from Company	Furnish all documents for transmission of shares
	Obtain Letter of Entitlement from Company



# PROCEDURE FOR IEPF CLAIM

STEP-1

A screenshot of the IEPF-5 application form. The form is titled "FORM NO. IEPF- 5" and includes the text "Application to the Authority for claiming unpaid amounts and shares out of Investor Education and Protection Fund (IEPF)". It also mentions "Part B of sub-section (3) of section 105 of the Companies Act, 2013 and rule 10(2) of the Investor Education and Protection Fund Authority (Securities, Equity, Transfer and Refund) Rules, 2016". There are fields for "Name of the applicant" and "Address of the applicant".

Fill the web based application in e-form – IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in)

STEP-2



Take a print out of the filled form

STEP-3



Submit the copy of e-form along with requisite documents to the Nodal Officer of the concerned company

STEP-4



Nodal officer of the Company shall verify the form and documents and shall furnish the report to IEPF Authority in 15 days.

STEP-5



On basis of verification, IEPF Authority shall either reject the claim or refund the requisite amount/shares in the name of claimant

# CHALLENGES/ISSUES FACED BY INVESTORS IN IEPF CLAIMS

## LETTER OF ENTITLEMENT

- Delay in providing Letter;
- Lack of uniformity in format;
- Multiple requests for dividend details in letter



## VERIFICATION REPORT

- Delay in filing report;
- In sufficient documents attached by company along with verification report;
- Non issuance of report to the claimant/shareholder



Non availability of real time information on the claim which leads to **information asymmetry** for the claimant



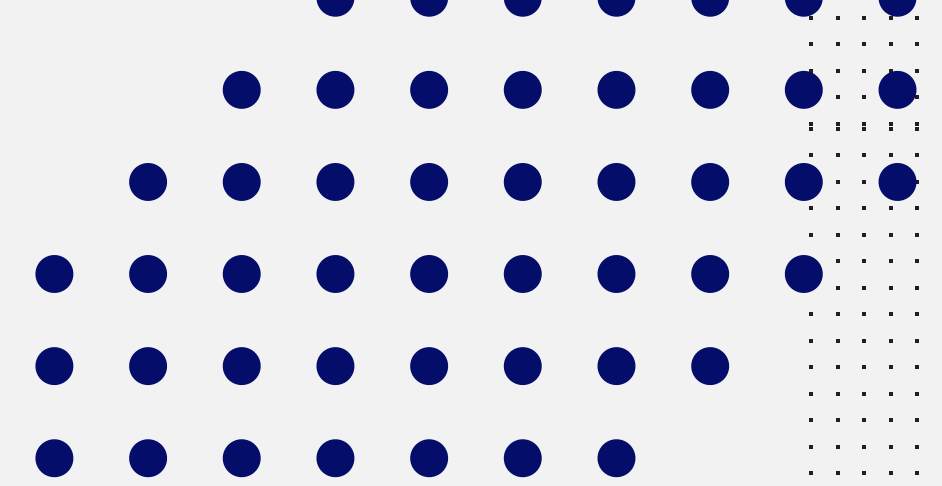
## MULTIPLE DOCUMENT SUBMISSION

- Documents are submitted thrice
- To Company for obtaining obtaining LOE;
- To IEPF for IEPF Claim;
- To Company for E-Verification report



**Rejecting a claim without giving opportunity to shareholder/claimant to rectify the errors**





## **COMMON MISCONCEPTIONS OF INVESTORS**

1. Lost share certificates are lost forever;
2. Shares transferred to IEPF is lost forever;
3. Shares will be transferred to their demat account with just filing a request with the Company
4. Holding a share certificate does not mean you are a shareholder;
5. Shares in IEPF are dead and no dividend is earned on it
6. Nominee is the ultimate owner



## **ADVISORY NOTE TO INVESTORS**

1. Get your shares dematerialized
2. Keep your KYC updated with the Companies/Mutual Funds etc.
3. Claim Dividends promptly
4. Appoint a nominee for your investments
5. Keep organized record of your investments and monitor investments regularly
6. Educate yourself on unclaimed shares, IEPF Claims
7. Preparation of proper Family Succession Plan-Will
8. Seek professional help whenever and wherever needed

A high-angle, close-up shot of a clean, white desk. In the upper left, a portion of a white keyboard is visible. Next to it is a white ceramic mug sitting on a round, light-brown cork coaster. To the right of the mug is a clear glass jar filled with several black pens. In the lower left, a white ring light is partially visible, along with a green plant leaf. The background is a plain, light-colored wall.

**THANK  
YOU**