

Investor Education and Protection Fund Authority

Ground Floor, Jeevan Vihar Building, 3,
Parliament Street, New Delhi-110001

File No: IEPFA-15/1/2023

Dated: 28th January, 2026

NOTICE

Sub: Notice inviting comments from various stakeholders on draft rules for refund process from IEPF Authority

Investor Education and Protection Fund Authority invites comments on the draft procedure on refund process at IEPF Authority to simplify and expedite the process of claim refund from IEPF Authority under Companies Act 2013.

2. The comments may be suggested via email iepfa.consultation@mca.gov.in till February 27, 2026. Comments may be provided in the following format (soft copy as well as in signed pdf).

S. No.	Para of Draft Rules	Comments	Justification

Comments can also be suggested through e-Consultation module of MCA.

3. This issues with approval of Competent Authority.


(Ruvit Kumar)
Joint Director
IEPF Authority

Consultation on refund process at IEPF Authority

A. Objective: To simplify and expedite the process of claim refund filed with IEPF Authority under Companies Act 2013.

B. Background: Government of India, has in accordance with the provisions of sub- section (5) of section 125 of Companies Act, 2013, established IEPF Authority (the Authority) for administration of the Investor Education and Protection Fund (the fund). The Authority has been entrusted with the responsibility to administer the fund as per section 125 (3) of Companies Act 2013 which mandates utilization of fund for:

- (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; and*
- (e) any other purpose incidental thereto, in accordance with such rules as may be prescribed.*

2. For the purpose of facilitating refund of claims in respect of shares, unclaimed dividends, debentures etc. the Central Govt. has on 05.09.2016 notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time.

C. Proposal to ease the process of claims and refund: In order to ease the process of refund, it is being explored that the process of claim and refund will be done based upon the verification of respective companies.

2. The Authority had constituted a committee for streamlining the documentation requirements for low-value claims . The committee

comprised representatives from IEPFA, MCA, SEBI and other Industry Bodies like FICCI, PHDCCI, CII, RAIN, ICMAI, ICAI, ICSI. After detailed deliberations, the Committee adopted the following definition of Low-Value Claims:

“Low-Value Claims” shall mean claims filed with the Authority under the Investor Education and Protection Fund framework, which satisfy any of the following criteria:

- (i) Shares (Physical): Claims where the market value of shares does not exceed ₹5,00,000;
- (ii) Shares (Dematerialised): Claims where the market value of shares does not exceed ₹15,00,000; and
- (iii) Dividends: Claims where the amount of dividend does not exceed ₹10,000.

The Committee, *inter alia*, made a set of recommendations, which have been duly considered and incorporated in the proposed amendments.

3. The proposed changes in Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time are as at **Annexure A**.
4. The Authority invites comments from all stakeholders on the proposal.

Annexure A

Proposed Amendments to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time

These rules may be called the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2025.

1. In rule 5 of the said rules, sub-rule (6) (a) and (b) shall be omitted

Rationale for change

As per the Circular No. 07/2024 dated: 17.07.2024 , the deposit of amount to the fund has been linked directly to Bharatkosh and hence there is no designated bank and all receipts are directly credited to Bhartakosh and reconciled through PFMS.

2. In rule 6 of the said rules, -

(a) for the sub rule (6) , the following proviso shall be substituted , namely:-

Provided that, for the purpose of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, the shares which have been transferred to the Authority shall not be excluded while calculating the total voting rights.

Rationale for change

Addition of phrase 'as amended from time to time' to ensure continuing conformity with subsequent amendments to the SEBI Regulations, thereby rendering the provision dynamic and prospective in its application.

(b) for the sub-rule (10), the following shall be substituted, namely: -

“(10) If the company is getting delisted under compulsory delisting or voluntary delisting, as the case may, the Authority shall surrender shares on behalf of the shareholders in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended from time to time and the proceeds realised shall be credited to the Fund and a separate ledger account shall be maintained for such proceeds:

Provided that any claimant entitled to claim transfer of such shares from the Authority under sub-section (6) of section 124 shall only be entitled to the amount received by the Authority on behalf of the shareholder without any interest thereon:

Provided further that the company shall be liable under all circumstances whatsoever to indemnify the Authority in case of any dispute or lawsuit that may be initiated and the Authority shall not be liable to indemnify the shareholder or the Company or any other person for any liability arising, leading to any litigation or complaint arising thereof.”

Rationale for change

The Amendment proposes to clarify that surrender of shares will be applicable to both compulsory and voluntary delisting. It is also clarified through the amendment that the claimant shall be entitled only to the amount received by the Authority on behalf of the shareholders without any interest.

(c) for the sub-rule (11), the following proviso shall be inserted, namely:-

“Provided that any claimant entitled to claim transfer of such shares or securities from the Authority shall only be entitled to the amount

received by the Authority on his behalf without any interest thereon.”

Rationale for change

It is to clarify through the amendment that the claimant shall be entitled only to the amount received by the Authority on behalf of the shareholders without any interest.

3. In the rule 6A of the said rules,

(a) For the sub rule (6) , the following proviso shall be substituted, namely:-

Provided that for the purpose of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, the shares which have been transferred to the Authority shall not be excluded while calculating the total voting rights.

Rationale for change

Addition of phrase ‘as amended from time to time’ to ensure continuing conformity with subsequent amendments to the SEBI Regulations, thereby rendering the provision dynamic and prospective in its application.

(b) for the sub-rule (9), the following shall be substituted, namely:-

“(9) If the company is getting delisted under compulsory delisting or voluntary delisting, as the case may, the Authority shall surrender shares on behalf of the shareholders in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended from time to time and the proceeds realised shall be credited to the Fund and a separate ledger account shall be maintained for such proceeds:

Provided that any claimant entitled to claim transfer of such shares or securities from the Authority shall only be entitled to the amount received by the Authority on his behalf without any interest thereon."

Rationale for change

The Amendment proposes to clarify that surrender of shares will be applicable to both compulsory and voluntary delisting.

4. In rule 7 of the said rules :-

a) In sub-rule (2), the first proviso shall be substituted, namely:

"Provided that the claimant, after making an application in [Form No. IEPF-5] under sub-rule (1), shall send the original physical share certificate, original bond, deposit certificate, debenture certificate, as the case may be, along with the Indemnity Bond, and any other documents as enumerated in [Form No. IEPF-5]. duly signed by the claimant, to the Nodal Officer of the concerned company at its registered office for verification of the claim.

The claimant shall clearly mark the envelope with the words 'Claim for refund from IEPF Authority'. The claimant shall also upload the postal dispatch receipt as proof of having sent the physical documents to the company, on the MCA portal.

Rationale for change

This amendment is necessitated in view of the existing procedure wherein the filing of Form IEPF-5 presently entails a two-step process including the upload of postal receipt on MCA portal. As this two-stage procedure is integral to claim processing under the IEPFA Rules, 2016, its express incorporation is required to ensure procedural clarity and statutory compliance.

b) In sub-rule (3), the following shall be substituted namely :

“(3) The company shall, within forty-five (45) days from the date of receipt of a claim, submit an online verification report to the Authority after verification of details in Form No. IEPF-5 in the format specified by the Authority along with all the documents submitted by the claimant.

The company shall also attach a scanned copy of all original documents submitted by the claimant in physical form, duly certified by its Nodal Officer, along with the e-verification report. The company shall attach scanned copies of both sides of the original physical share certificate or original bond, deposit, or debenture certificate(s), duly cancelled and certified:

Provided that if the online verification report is not sent by the company within Forty Five (45) of filing of claim, the company may do so by paying additional fee of fifty rupees for every day subject to maximum of two thousand and five hundred rupees.

Rationale for change

This amendment is proposed to increase the timeline for filing the Electronic Verification Report (EVR) by an additional fifteen days. Since, the company is solely responsible for verifying the claimant's identity and assessing their entitlement to the shares, a reasonable timeframe is necessary for thorough due diligence, document review, and accurate evaluation.

c) In rule 7 of the said rules, after sub-rule (3), the following sub-rule shall be inserted, namely:-

“(3A) (i) In case, the company has filed an e-verification report under sub-rule (3) or revised e-verification report under second proviso to sub-rule (7) recommending approval and the application for claim has not been disposed by the Authority

under sub-rule (6), the company may withhold any benefits accrued on the shares under the claim including any further dividend which were to be credited to the Authority under sub- rule (8) or sub-rule (12) of rule 6, as the case may be, for directly crediting the same to the entitled claimant after due verification within 90 days of corporate action or declaration of dividend or publication of these rules, whichever is later:

Provided that after completion of timeline of 90 days, companies through their nodal officers shall be required to intimate the number or amount of benefits or dividend and the investors for whom direct credit has been made and the remaining benefits or dividend shall be required to be transferred to the Authority within 30 days and details thereof to be filed in IEPF-4 or IEPF-1, as the case may be:

Provided further that Company shall undertake all due diligence and satisfy itself about the entitlement of the claimant before crediting the benefits or the dividend directly to the investor and the provisions of sub-rule (11) of rule 7 shall apply mutatis mutandis and the companies shall be liable to indemnify the Authority for all actions taken by it.

- (ii) In case, the company has not filed an e-verification report under sub-rule (3) or revised e-verification report under second proviso to sub-rule (7) on the date of declaration of any benefits or further dividend on the shares under the claim, the company may submit the e-verification report or the revised e-verification report, recommending the transfer of accrued benefits or the dividend to the entitled claimant which were to be credited to the Authority under sub- rule (8) or sub-rule (12) of rule 6, as the case may be:

Provided that companies shall take additional indemnity bond from the claimant in respect of the benefits or further dividend and the provisions of sub-rule (11) of rule 7 shall

apply mutatis mutandis and the companies shall be liable to indemnify the Authority for all actions taken by it.

(iii) In case, the Authority has already transferred the amount and shares to the entitled claimant under sub-rule (4) of rule 7, and any benefits or further dividend have been credited by the company to the Authority under sub- rule (8) or sub-rule (12) of rule (6), as the case may be:

- (a) Such claimants may apply the company to claim the benefits or dividend and submit additional indemnity bond in respect of the benefits or dividend.
- (b) Company through its nodal officers shall submit a consolidated report to the Authority for all such requests duly mentioning the additional benefits or the dividend, the previous claim SRN No, details of transfer to the Authority and other details as may be required:

Provided that no such request shall be accepted by the company after 90 days of corporate action under rule 6(8) or declaration of dividend under rule 6(12) or publication of these rules, whichever is later, and no report from the company shall be accepted by the Authority after 120 days of corporate action or declaration of dividend or publication of these rules, whichever is later:

Provided further that companies shall undertake all due diligence and satisfy itself about the entitlement of the claimant and the provisions of sub-rule (11) of rule 7 shall apply mutatis mutandis and the companies shall be liable to indemnify the Authority for all actions taken by it.

(iv) In case, the benefits accrued which were to be credited to the Authority under sub-rule (8) of rule 6 pertain to a transferee company which has been newly incorporated under a scheme of Compromise, arrangement or amalgamation under chapter

XV of the Act, including demerger; the provisions of item (ii) and (iii) shall not apply:

Provided that in cases under item (i), the transferee companies through its nodal officers shall be required to intimate the number or amount of benefits or dividend and the investors for whom direct credit has been made and left-over benefits or dividend shall be required to be transferred to the Authority within 30 days and details thereof to be filed in IEPF-4 or IEPF-1, as the case may be."

Rationale for change

To ensure uniform and streamlined handling of cases involving corporate benefits such as bonus shares, stock splits and related corporate actions.

d) In rule 7 of the said rules ,in sub-rule (6), the following shall be inserted , namely:-

Notwithstanding anything contained in sub-rule (6), the Authority shall solely rely upon the verification report submitted by the company and, based on the company's decision of approval or rejection, shall dispose of the claims within a period of thirty (30) days from the date of receipt of such verification report in respect of the following categories of claims:

- (a) Claims in respect of securities, where the aggregate market value thereof does not exceed ₹5,00,000 (Rupees Five Lakh only), in the case of securities held in physical form; and ₹15,00,000 (Rupees Fifteen Lakh only) for securities held in dematerialized mode;
- (b) Claims in respect of dividends, where the aggregate amount thereof does not exceed ₹10,000 (Rupees Ten Thousand only).

The company shall be liable under all circumstances whatsoever to indemnify the Authority in case of any dispute or lawsuit that may be initiated due to any incongruity or inconsistency or disparity in the verification report or otherwise and the Authority shall not be liable to indemnify the security holder or Company for any liability arising out of any discrepancy in verification report submitted etc., leading to any litigation or complaint arising thereof.

The Nodal Officer, before submitting the verification report to the Authority, shall ensure due verification of the claimant's application, identity of the claimant, the entitlement to the amount or shares claimed, and the authenticity of the documents submitted in support thereof.

Rationale for change

This amendment for reduction in timeline to 30 days is proposed for low value cases to facilitate expeditious resolution of such claims.

5. Insertion of Rule 7A - Appeal Mechanism in case of Rejection of Claim,

After Rule 7 of the said rules, the following Rule 7A shall be inserted, namely:-

Where the e-verification report submitted by the company is rejected or where the claim is rejected by the Authority, the claimant may prefer an appeal to the Grievance Officer, not below the rank of "General Manager", of the Investor Education and Protection Fund Authority, in accordance with the procedure laid down by the Authority.

In the event of non-resolution of the grievance by the Grievance Officer within the specified timeline, as laid down in the procedure, the claimant may file a further appeal before the final Appellate

Authority, namely, the Chief Executive Officer of the Investor Education and Protection Fund Authority.”

The decision of the Chief Executive Officer on such appeal shall be final and binding.

Rationale for change

It is proposed to introduce a formal appeal mechanism for aggrieved investors to protect their interests in cases of erroneous claim rejection. This framework will provide an independent and transparent remedy, enhance accountability in the verification process, and uphold the principles of natural justice.

6. **In the said rules, in headings of Schedule II and III, for the word “Authority”, the word “Company” shall be substituted.**

Rationale for change

To clarify that the transmission and loss of securities documents shall be submitted to the company and company will be primarily responsible for authentication of documents.

7. **In the said rules ,in Schedule II, for item 2.3, the Explanation shall be substituted, namely :-**

Explanation: (1) The Company may enhance the limit of Rs. 15,00,000 (Rupees Fifteen lakh only) per issuer company in accordance with SCHEDULE VII of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, after taking approval of its Board of Directors and provide copy of Board resolution to Authority at the time of verification of claim.

Rationale for change

Addition of phrase 'as amended from time to time' to ensure continuing conformity with subsequent amendments to the SEBI Regulations, thereby rendering the provision dynamic and prospective in its application.

8. In the said rules ,in Schedule II, for item 4.3, the Explanation shall be substituted as follows:-

Explanation: (1) The Company may enhance the limit of Rs. 15,00,000 (Rupees Fifteen lakh only) per issuer company in accordance with SCHEDULE VII of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,as amended from time to time , after taking approval of its Board of Directors and provide copy of Board resolution to Authority at the time of verification of claim.

Rationale for change

Addition of phrase 'as amended from time to time' to ensure continuing conformity with subsequent amendments to the SEBI Regulations, thereby rendering the provision dynamic and prospective in its application.

9. In the said rules , in Schedule IV, item 2(iii) shall be substituted , namely:-

- i. "(iii) Affidavit and other supporting documents viz. Gazette Notification for name change, marriage certificate, other identity proof etc. for change or variations in name in various documents, share certificates etc.

Provided further that for minor name differences/mismatches in name of the claimant as per the company's records and as per

the Identity proofs, a self-declaration from the claimant shall be sufficient for claims in respect of the following:

- (a) Claims in respect of securities, where the aggregate market value thereof does not exceed ₹5,00,000 (Rupees Five Lakh only), in the case of securities held in physical form; and ₹15,00,000 (Rupees Fifteen Lakh only) for securities held in dematerialized mode;
- (b) Claims in respect of dividends, where the aggregate amount thereof does not exceed ₹10,000 (Rupees Ten Thousand only).

Rationale for change

Addition of proviso to simplify the documentation requirements for low-value cases

ii. In the said rules , in Schedule IV, The item 2 (v) shall be substituted , namely :-

“(v) Indemnity on stamp paper of appropriate value in the name of claimant as per Stamp Act for the following :-

(a) Claims in respect of securities, where the aggregate market value thereof exceeds ₹5,00,000 (Rupees Five Lakh only) in the case of securities held in physical form; and ₹15,00,000 (Rupees Fifteen Lakh only) for securities held in dematerialized mode;

(b) Claims in respect of dividends, where the aggregate amount thereof exceeds ₹10,000 (Rupees Ten Thousand only).”

Rationale for change

To simplify the documentation requirements for low-value cases.

10. In the said Rules, in Schedule IV, after item 3, the following item shall be inserted , namely:-

4. "The Authority shall solely rely upon the verification report submitted by the company and, based on the company's decision of approval or rejection, shall dispose of the claims within a period of thirty (30) days from the date of receipt of such verification report in respect of the following categories of claims:
 - (a) Where the claim pertains to securities and the aggregate market value thereof does not exceed ₹5,00,000 (Rupees Five Lakh only) in the case of securities held in physical form, or ₹15,00,000 (Rupees Fifteen Lakh only) in the case of securities held in dematerialized form;
 - (b) Where the claim pertains to dividends and the aggregate amount thereof does not exceed ₹10,000 (Rupees Ten Thousand only).

The company shall be liable under all circumstances whatsoever to indemnify the Authority in case of any dispute or lawsuit that may be initiated due to any incongruity or inconsistency or disparity in the verification report or otherwise and the Authority shall not be liable to indemnify the security holder or Company for any liability arising out of any discrepancy in verification report submitted etc., leading to any litigation or complaint arising thereof.

The Nodal Officer, before submitting the verification report to the Authority , shall ensure due verification of the claimant's application, identity of the claimant, the entitlement to the amount or shares claimed, and the authenticity of the documents submitted in support thereof.

Rationale for change

This amendment is proposed to facilitate expeditious resolution of low-value cases, thereby protecting the interests of investors.