

## STRATAGE UPDATES



STRATAGE  
LAW PARTNERS

Under the Companies Act, 2013, every company is required to take necessary steps to identify the significant beneficial owner in relation to the company and ensure that it complies with the provisions of Section 90.

In the event the company fails to identify the person, it is required to apply to the relevant NCLT for an order to *inter alia* direct that the shares in question are subject to restrictions with regard to transfer of interest and suspension of all rights to the shares.

If the relevant NCLT passes an order restricting the rights attached to the shares, the company or the person aggrieved may apply to the NCLT to relax or lift the restrictions within a period of 1 year from the date of such order. However, if no application is filed within such period, then the shares would be transferred to Investor Education and Protection Fund Authority without any restrictions, subject to the rules laying down the process for such transfer of shares.

The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2021 came into force on June 9, 2021 ([available here](#)), which lays down the manner in which such shares are to be transferred to the IEPF Authority.

*Further, new formats of the Forms IEPF-4 and IEPF-7 were introduced.*

### *Transfer of shares to IEPF Authority in case of non-compliance with identifying Significant Beneficial Owner*

*This Update is meant for general information and shall not be deemed to be a legal advice or opinion. This Update is neither intended to be an advertisement or solicitation.*

Communications: [Contact@stratage.in](mailto:Contact@stratage.in)