

UDA → Unpaid Dividend Account
 IEPF → Investor Education Protection Fund

PAN
 Page No.:
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Chapter → 8
 Declaration & Payment of Dividend
 (Sec 123 - 127)

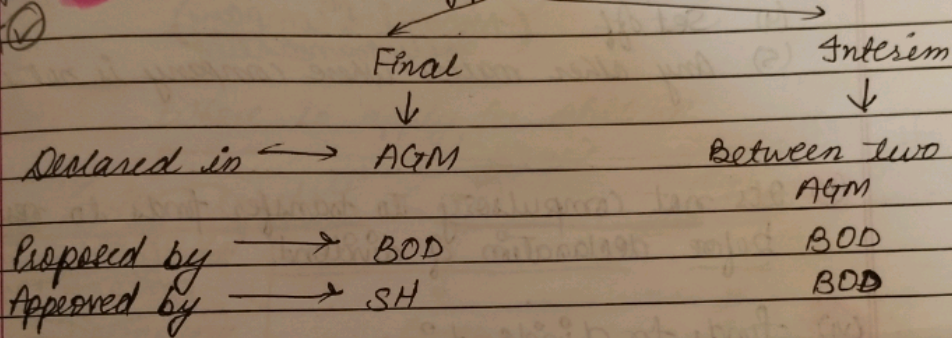
Declaration of Dividend Sec 123

- (i) Mode → Cash, cheque, Online
- (ii) Whom → registered shareholders, Banker, on his order

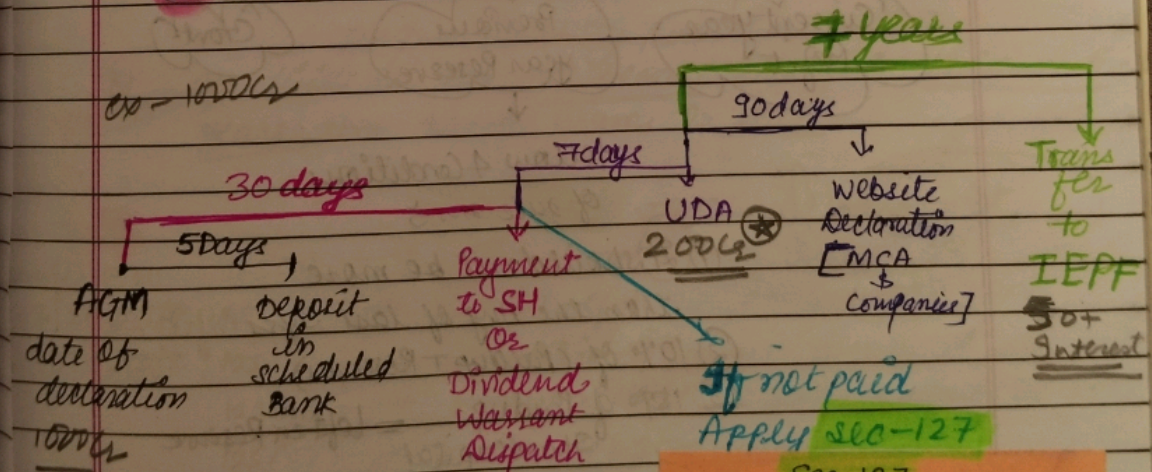
Kind
 Dividend
 NEFT

ISNEFT
 Credit
 Postdated
 Cheque
 Kind

2 Types



(iv)



Interest @ 12% pa
 If funds are not transferred to UDA By company.

Sec-127

Company 18% pa Interest

In charge of directors knowingly involved

Imprisonment - Jail upto 2 years (max-2yrs)

fine 1000 minimum per day Per diem

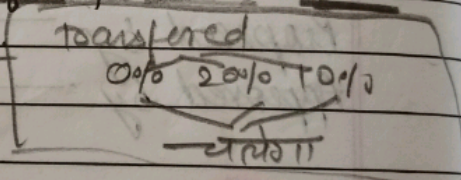
Sec 127 → Is about Punishment - If dividend is not paid to Shareholders By Company →

Sec 127 ⇒ Exception → NO-fine → Company not paying dividend

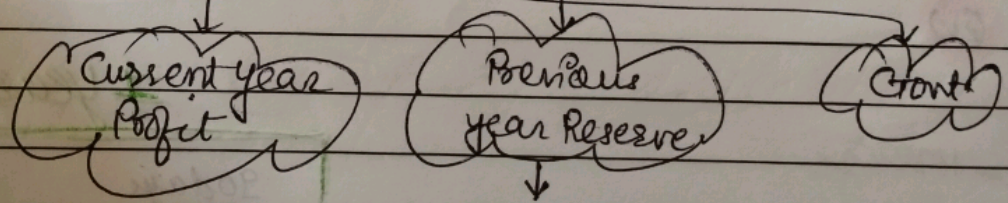


- (1) Due to Operation of Law (- ite ahi - Bank aq)
- (2) Sonny leone - Communication (Bank a/c no get) If wrong bank a/c no given (hi - sonny - deat)
- (3) Dispute (गति अंत fight Box father express)
- (4) Set off (imban & company) daily transaction
- (5) Any other matter where company is not in default at

(v) Its not compulsory to transfer funds to reserve before declaration of dividend



(vi) funds for dividend →



follow 4 Conditions of rule no. 5

Amount of dividend

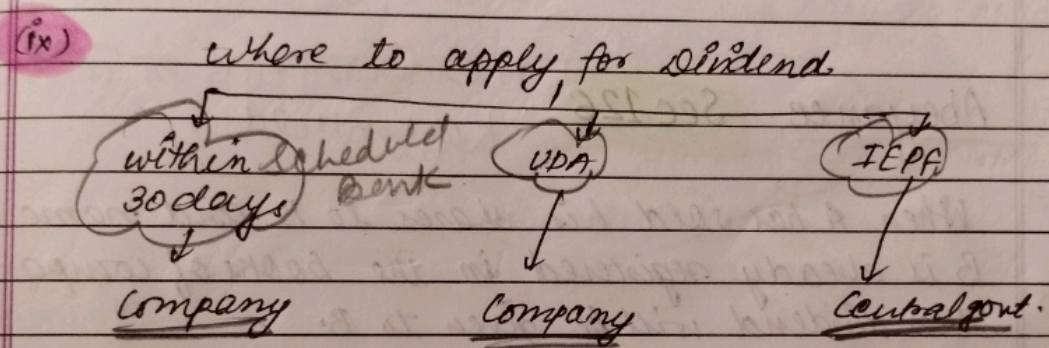
- ① It should not be more than the Avg of last 3 yrs Profit
- ② 10% of (Paidup + Reserves)
- ③ 15% of Paidup = left in Reserve Share capital
- ④ Losses of CoY + PoY must be deducted

After declaration of Dividend

Prohibition of Dividend
 (vii)
 ① Default in Sec 73/74 (Deposit Repayment)
 ② Sec 8 Company

Avg Dividend
 1st yr 2nd yr 3rd yr
 20% 30% 0%

$$\text{Avg} = \frac{20 + 30 + 0}{3} = 16.66\%$$



eg - Mr. Shyam Kumar
 (x) If dividend has not been claimed in 7 consecutive years then transfer shares to IEPF.

- (xi) Sec - 125 IEPF learn it
- 125(1) → CG - form - IEPF
 - 125(2) → Credit of specified amount in IEPF
 - 125(3) → Utilization of funds
 - 125(4) → Apply for dividend to Authority of Sec 125(5)
 - 125(5) → 1 Chairperson + 1 CEO + 7 other members
 - 125(6) → Rules By Cg
 - 125(7) → Resources By Cg
 - 125(8) → Books of A/c maintenance
 - 125(9)

125(9) → 125(5) will spend on 125(3)

125(10) → Divid by CG

Report

↓

CG

125(11) → CG

↓

Lok + Rajya
Sabha Sabha

Absentee Sec 126 Kept on Hold

When A has sold his shares to B and name of B is already registered in the books of company, then dividend will be given to B.

If B's name is not registered, then it will be given to A.

However, if B has applied for the registration but yet not registered, then it will be kept on hold it means Absentee.

Moreover, in this Particular case right issue & bonus issue will also be kept on hold.

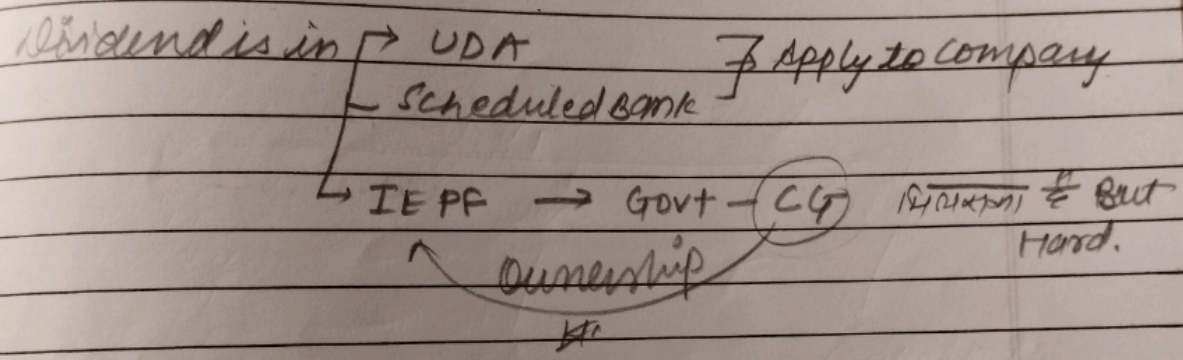
If A has sold his shares to B. B is not yet registered in the books. However, A has given his consent to company then dividend will be given to B.

Case of Abeyance

A $\xrightarrow{\text{Shares}}$ B

on A's Name \rightarrow dividend \rightarrow (A)
 on B's Name \rightarrow dividend \rightarrow (B)
 on A's Name - Company
 But B applied Confused

\downarrow
 Abeyance
 [गिंत अंत हे त्रास मलेगा \rightarrow
 it should be kept on hold]



It is not compulsory to transfer some amount in reserve before declaration of dividend

चरित Dividend $\left\{ \begin{array}{l} \text{reserve fund @ 10\%} \\ \text{before declarat @ 20\%} \\ \text{no amount} \end{array} \right\}$ चरित