

23 April 2019: UPSC Exam PIB Summary & Analysis

Investor Education and Protection Fund (IEPF) Authority recovers Rs 1514 Cr of Depositors' Money

Context:

- In a major success, the IEPF Authority has been able to enforce The Peerless General Finance and Investment Company Limited to transfer deposits worth about Rs 1514 Cr to IEPF.

Details:

- This depositor's money was pending with The Peerless General Finance and Investment Company Limited for the last 15 years.
- This amount was taken by the company by issuing about 1.49 Cr Deposit Certificates and include more than 1 Cr individual investors.
- The data submitted by the company reveals that 50.77 percent of the total amount was taken in the form of deposit certificates of the value of Rs. 2000 or less. Number wise such certificates form 85.32 percent of the total number of certificates issued.
- The majority of these investors are common citizens belonging to the lower and middle-income group including daily wage earners, etc.
- Geographically, the investors involved belong to 30 states and Union territories of the Country. Majority of the investors belong to the state of West Bengal.
- The Authority has also acted against companies that have transferred the unpaid dividend amount to IEPF but have failed to transfer shares in accordance with **section 124(6) of the Act**.
- In some other cases, the companies are showing unclaimed and unpaid amounts in their Balance Sheets but have not transferred such amounts to IEPF even after seven years. Based on the above, the authority has issued more than 4000 notices to the companies under **section 206(4) of the Act** for calling information.

About IEPF Authority:

- IEPF Authority has been set up under the Ministry of Corporate Affairs, Government of India as a statutory body under Companies Act 2013 to administer the Investor Education and Protection Fund **with the objective of promoting Investor's Education, Awareness and Protection**.
- The Authority takes various initiatives to fulfil its objectives through Investor Awareness Programmes and various other mediums like Print, Electronic, Social Media, and Community Radio etc.
- The size of IEPF Fund has almost doubled within one year with an accumulated corpus of about Rs 4138 Cr. The companies have also transferred about 65.02 Cr valuing Rs 21,232.15 Cr.
- Secretary Ministry of Corporate Affairs is the Chairperson of the Authority. Joint Secretary Ministry of Corporate Affairs is the Chief Executive Officer of the Authority.**

Controller General of Defence Accounts (CGDA)

Context

- Shri Rajendra Kumar Nayak took over as the 52nd Controller General of Defence Accounts. He is

from the Indian Defence Accounts Service.

About DAD

- Defence Accounts Department, with the Controller General of Defence Accounts at its head, functions under the administrative control of the Financial Adviser (Defence Services).
- The duties of the Defence Accounts Department are broadly audit, payment and accounting of all charges pertaining to the Armed Forces, including bills for supplies and services rendered and for construction/repair works, pay and allowances miscellaneous charges, pensions, etc.
- The Department is also responsible for the audit of cash and stores account kept by the various units and formations (including arsenals, workshops and storage depots) in the three services and maintenance of pay accounts of Army Officers and combatants of Army.
- They also maintain Accounts relating to works services and audit the construction and other accounts relating to works project maintained by Military Engineer Services.
- In addition to the duties mentioned above, the Controller of Defence Accounts function as Local Financial Advisers to the General Officers Commanding-in-Chief of Commands, Area Commanders, etc.
- The Defence Accounts Department comes under the Ministry of Defence with the Controller General of Defence Accounts as the Head of the Department.
- The organization of the Defence Accounts Department corresponds broadly to the organization of the three Services. In addition, it also caters for the Ordnance Factories.