Investor Education and Protection Fund (IEPF)

- Investor Education and Protection Fund (IEPF) has been established under provision of the Companies Act, 2013.
- The amounts such as dividends, applications money, matured deposits etc, which have remained unpaid or unclaimed for a period of **7 years are required to be transferred to the IEPF.**
- The Amounts credited to IEPF are maintained under the Consolidated Fund of India (Article 266 of the Constitution).
- The fund is utilized for promoting investor awareness and protection of investor interests.
    - The Fund is also utilised for distribution of any **disgorged amount** among eligible 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.
    - When a person or entity in the securities market makes a profit by fraudulent means, a 'disgorgement' order is issued to repay those gains to affected investors with interest.
- For administration of Investor Education and Protection Fund, the Government of India in 2016, established Investor Education and Protection Fund Authority under the provisions of section 125 of the Companies Act, 2013. The Authority is under the Ministry of Corporate Affairs.

Source: PIB

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