

WRITTEN ANSWERS TO UNSTARRED QUESTIONS

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

RAJYA SABHA

UNSTARRED QUESTION NO. 2241

ANSWERED ON TUESDAY, THE 16th MARCH, 2021

INVESTMENT IN RURAL AREAS

QUESTION

2241. SHRI RAJENDRA GEHLOT:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether Government has any special plan to increase investment in rural areas, if so, the details thereof;
- (b) whether Government has taken any steps to spread awareness and protect small investors, if so, the details thereof and if not, the reasons therefor; and
- (c) whether any amendments have been made in the “new Companies Act” in relation with the protection of investors, if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
AND CORPORATE AFFAIRS

(SHRI ANURAG SINGH THAKUR)

(a): As per information provided by the Ministry of Rural Development, the Ministry is implementing Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS), Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM), Deen Dayal Upadhyay – Gramin Kaushalya Yojana (DDU-GKY), Pradhan Mantri Awaas Yojana – Gramin (PMAY-G), Pradhan Mantri Gram Sadak Yojana (PMGSY), National Social Assistance Programme (NSAP), Shyama Prasad Mukherji Urban Mission (SPMRM) and Saansad Adarsh Gram Yojana (SAGY) in the country to bring about overall improvement in the quality of life of the people in rural areas, strengthening of livelihood opportunities, promoting self-employment, skilling of rural youths, infrastructure development, provision of social assistance and other basic amenities.

As per information provided by the Department of Financial Services, in order to boost the agriculture sector, Government has been fixing annual targets for Ground Level Credit (GLC) by Scheduled Commercial Banks, Regional Rural Banks (RRBs) and Cooperative Banks. The GLC target for 2021-22 has been fixed at 16.5 lakh crore which marks an increase of 10% over the previous financial year's GLC credit target for agriculture. As part of the Atma Nirbhar Bharat package, a Special Liquidity Facility (SLF) of Rs. 30,000 crore as additional refinance to RRBs/ Cooperative Banks/NBFCs-MFIs has been provided through National Bank for Agriculture and Rural Development (NABARD) to supplement the lending resources of these Rural Financial Institutions to tide over the COVID-19 related stress. NABARD has been extending loans to State Governments from 1995-96 onwards for financing rural infrastructure projects from Rural Infrastructure Development Fund (RIDF). Allocation under RIDF for 2021-22 has been increased to Rs. 40,000 crore from the previous financial year's allocation of Rs. 30,000 crore.

(b): The Investor Education and Protection Fund Authority (IEPFA) has been set up under Section 125 of the Companies Act, 2013 (The Act) with the objective of promoting investor's education, awareness, Protection and to make refund of claim to the investors as provided in the provisions of the Act.

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The IEPF Authority has organised Investor Awareness Programmes (IAPs) through the Professional Institutes and CSC e-Governance Service India Limited, with the objective of creating awareness amongst the Investors as part of its mandate. Apart from this, awareness creating messages are disseminated from time to time through print and electronic media. The IEPF Authority has also collaborated with various organisations like India Post Payment Bank, Nehru Yuva Kendra Sangathan and various Banks with the objective of creating awareness among the investors. Details of IAPs conducted during the last five financial years (as on 08.03.2021) are as under:-

Year	2016-17	2017-18	2018-19	2019-20	2020-21 (as on 08.03.2021)	Total
No. of IAPs	2171	5876	27639	11730	2533	49949

Besides, IEPF Authority has also signed MoU with the Indira Gandhi National Open University (IGNOU) for collaboration for utilizing the Tele Lecturing Facility of Gyan Darshan Channel for telecast of 26 episodes on Investor Awareness Programme through distance learning mode.

As per information provided by the Department of Economic Affairs, the Securities and Exchange Board of India (SEBI) also undertakes various investor education and awareness activities to create awareness on relevant issues and to protect the interests of investors in securities market. Towards investor awareness among larger number of people, SEBI carries out mass media campaign giving relevant messages through popular media (TV/ Radio/Print/bulk SMSs/Digital media/cinema). Investor awareness programs/workshops are conducted covering basic aspects of securities market, precautions to be taken while investing in securities market, Rights and Obligations of investors, Dos and Don'ts, grievance redressal mechanism in the securities market etc.

(c): The Companies Act, 2013 contains various provisions with regard to protection of interests of investors, which are ,inter-alia, as under:

(i) Shareholders Associations/Group of Shareholders empowered to take legal action in case of actions relating to mis-statements in prospectus/fraudulently inducing persons to invest money in the company. [Section 37]

(ii) Protection of claim of an investor over unclaimed dividend etc. beyond the existing limit of 7 years. Such amounts can be claimed through Investor Education and Protection Fund (IEPF) even after 7 years. [Section 125(3)]

(iii) IEPF account to be utilized for refund of unclaimed dividends; application monies due for refund; and promotion of investors' education, awareness etc. IEPF accounts also to be utilized for re-distribution of disgorged amount to identifiable victims. [Section 125(3)]

(iv) In case of listed companies, small shareholders (i.e. shareholders holding shares of nominal value of Rs. 20,000 or less) empowered to elect a director in accordance with prescribed rules. (Section 151)

(v) Provisions for prevention of oppression and mismanagement alongwith action against persons engaged in fraudulent activities retained in the Act. [Sections 241, 242]

(vi) 'Class Action' provided for preventive action through orders from Tribunal. Requisite number of members and depositors may approach Tribunal for this purpose. [Section 245]

(vii) Requirement for offer for sale of shares (exit option) to be given to minority shareholders in case of acquisition of 90% or more shares by any other company or group of persons or persons acting in concert (Sections 235 and 236).

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(viii) The scope of postal ballot (including electronic voting) widened. Certain important matters as stated below are required to be conducted through postal/ electronic voting [Section 110 read with Rule 22 (16) of the Companies (Management and Administration) Rules, 2014]]:

- a. Alteration of Memorandum of Association /Articles of Association in certain cases;
- b. Change of registered office address;
- c. Change in objects for which company raised money from public as provided in section 13 (8);
- d. Issue of shares with differential rights;
- e. Giving of loans and investment exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.
