

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2175  
ANSWERED ON:12.12.2008  
UTILIZATION OF INVESTORS PROTECTION FUND  
Acharia Shri Basudeb

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has set up two separate funds for investors protection and awareness; and
- (b) If so, the details of utilization of the above funds?

**Answer**

MINISTER OF STATE FOR FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): Section 205C of the Companies Act, 1956 provides for establishment of Investor Education and Protection Fund which was introduced by way of Companies (Amendment) Act, 1999 w.e.f. 31.10.1998. The Fund is administered by a Committee as per the provisions of Investor Education and Protection Fund (awareness and protection of investors) Rules, 2001. Unclaimed dividends, application funds, matured deposits and interests which are lying unclaimed for more than 7 years are credited to the fund alongside the specific grants and donations given to the fund by Central/state Governments/companies and the income generated by way of investment of the fund. This fund is utilized for educating and creating awareness among investors by conducting seminars, media programmes, coordinating the various agencies doing investor protection, funding research activities etc through Voluntary associations or organizations registered under IEPF.

Budget for 2006-07 proposed setting up of an Investor Protection fund(IPF) funded by fines and penalties recovered by SEBI. SEBI has set up an `Investor Protection and Education Fund` (IPEF) by an administrative order dated July 23, 2007. An initial corpus of Rs. 10 crore has been set aside for IPEF from the General Fund of SEBI.