

**GOVERNMENT OF INDIA  
CORPORATE AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:4413  
ANSWERED ON:17.12.2009  
PROTECTION OF SMALL INVESTORS  
Shekhar Shri Neeraj

**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

- (a) whether small investors are being duped due to lack of financial literacy;
- (b) if so, the details thereof;
- (c) whether there is urgent need for launching investor awareness programmes involving various stakeholders;
- (d) if so, the details of action being taken by the Government to protect the interests of small investors;
- (e) the details of money collected, spent and unutilized under Investor Education and Protection Fund during the last three years; and
- (f) the reasons for under-utilisation of such funds?

**Answer**

THE MINISTER OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHID)

(a) & (b): Investments in equity market are subject to market risk. Investors whether small or big should take informed investment decisions based on their understanding of the market. The loss or gain that accrues to the investors on account of market volatility depends on the composition and size of their portfolio and the cost of acquisition of securities.

(c) & (d) The Government has already taken action to protect the interests of small investors through programmes of awareness creation and education like-

~ Providing simple, user friendly educational and awareness content to all the investors through the website [www.iepf.gov.in](http://www.iepf.gov.in).

~ Providing information about such persons and entities who have been indicted under different economic laws of the country through the website [www.watchoutinvestor.com](http://www.watchoutinvestor.com).

~ Providing online investor grievance redressal facility through the website [www.investorhelpline.com](http://www.investorhelpline.com).

~ Undertaking investor awareness programmes in partnership with the Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI) and Institute of Cost and Works Accountants of India (ICWAI), specifically targeting investors in tier II and tier III cities.

~ Providing technical/financial assistance to voluntary organizations for undertaking investor awareness related activities.

~ Undertaking multi-lingual media campaigns through print and electronic media to reach out to investor across the country.

(e) The amounts collected towards Investor Education and Protection Fund are credited into the Consolidated Fund of India. The Ministry gets a budgetary allocation for investor protection initiatives every year and expenditure on various activities is being met out of this allocation. The details of expenditure incurred and remaining unutilized during the last three years are as follows:

(Amount in Rupees)

FINANCIAL YEAR    BUDGET    EXPENDITURE    UNUTILISED    BUDGET-ARY ALLOCATION

2006-07    5,00,00,000    2,61,39,435    2,38,60,565

2007-08    5,00,00,000    3,41,78,777    1,58,21,223

2008-09 5,00,00,000 3,60,98,720 1,39,01,280

(f) The main reason for not fully utilizing the budget allocation is non-receipt of quality proposals from the voluntary organizations for organizing and conducting workshops/programmes on investor education and awareness.