

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:176
ANSWERED ON:05.12.2013
MANDATORY COVER FOR PUBLIC DEPOSITS
Bishnoi Shri Kuldeep

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government proposes mandatory insurance cover for public deposits garnered by companies;
- (b) if so, the details thereof; and
- (c) the initiatives taken/being taken by the Government to safeguard the investors from fraudulent money collection schemes?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI SACHIN PILOT)

(a) to (c) There is an enabling provision in Section 73 (2) (d) of the Companies Act whereby Companies permitted to accept deposits from the public will be required to "provide such deposit insurance in such manner and to such extent as may be prescribed". The operationalization of this provision would require framing of suitable rules in consultation with the Reserve Bank of India.