

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4401
ANSWERED ON:08.08.2014
PROTECTION OF INVESTORS
Godse Shri Hemant Tukaram

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the cases of misleading the investors, while raising money by the promoters of companies, have increased during each of the last three years and the current year;
- (b) if so, the details thereof company-wise and Government's reaction thereto;
- (c) whether the Government has set up an Investor Education and Protection Fund in the country; and
- (d) if so, the details thereof along with the objectives for setting up of such funds?

Answer

THE MINISTER OF STATE (SMT. NIRMALA SITHARAMAN) IN THE MINISTRY OF CORPORATE AFFAIRS

(a) & (b) Mis-leading the investors while raising the money by promoters in respect of 78 Companies came to the notice of this Ministry during last three years and the current year. This Ministry has ordered investigation into the affairs of the said companies under Section 235 of the Companies Act, 1956, by the SFIO.

(c) & (d) This Ministry has established a fund called 'Investor Education and Protection Fund (IEPF)' under Section 205C of the Companies Act, 1956. The objectives of the fund is to support the activities relating to Investor Education, Awareness and Protection.