

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

LOK SABHA

UNSTARRED QUESTION NO. 229

ANSWERED ON MONDAY THE 19TH JULY, 2021/

ASHADA 28, 1943 (SAKA)

INVESTMENT IN RURAL AREAS

QUESTION

229. DR. ALOK KUMAR SUMAN:

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

- (a) whether it is fact that the Government has a special plan to increase investment in rural areas in the country including district Gopalganj of Bihar, if so, the details thereof;**
- (b) whether the Government has taken any measures to spread awareness and protect small investors in the country including Gopalganj of Bihar, if so the details thereof and if not, the reasons therefor; and**
- (c) whether the Government has amended the Companies Act in relation with the protection of investors, if so, the details thereof?**

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS. (RAO INDERJIT SINGH)

(a): There are various schemes launched by the Government to increase investment in rural areas of the Country. Government has introduced Agriculture Infrastructure Fund (AIF) of Rs. 1 lakh crore to promote long term investment in agriculture infrastructure. Apart from this, Central Sector Scheme for Promotion of Farmer Producer Organizations (FPOs), PM Street vendor's Atma Nirbhar Nidhi Scheme and PM Formalisation of Micro Food Enterprises are also operational in Gopalganj district. To provide loans to State Governments for completing ongoing rural infrastructure projects, Rural Infrastructure Development Fund (RIDF) was instituted by NABARD during 1995-96. RIDF covers three broad categories, viz., (i) Agriculture and related sector (ii) Social Sector and (iii) Rural Connectivity. In Gopalganj district of Bihar, at present, 03 NABARD supported FPOs are in existence.

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Credit Flow in the district through banking sector has increased in 2020-21 as compared to 2019-20. During the last two years Banks have provided loans for various activities under the Annual Credit Plans as under:

Year	Loans disbursed
2019-20	Rs. 1752.68 crore
2020-21	Rs. 1998.71 crore

During 2020-21 Gopalganj District of Bihar was identified as Credit starved district. As per the instructions of RBI, NABARD has allocated 25% of Short Term Regional Rural Bank (STRRB) & Long Term Rural Credit Fund (LTRCF) for Credit Starved District to increase ground level credit flow to these districts. An amount of Rs. 2.44 lakh was disbursed under LTRCF to Gopalganj, Bihar in the FY 2020-21

(b): Yes Sir. The Investor Education and Protection Fund Authority (IEPFA), organises Investor Awareness Programmes (IAPs) all over India with the objective of creating awareness amongst the Investors as part of its mandate provided in the provisions of the Companies Act, 2013. The IEPFA has partnered with various organisations viz., CSC e-Gov. Services India Ltd, Nehru Yuva Kendra Sangthan, India Post Payments Bank to organise the IAPs throughout the country (including Bihar State). The Securities and Exchange Board of India (SEBI) also undertakes investor education and awareness activities and financial education programmes in rural and urban areas and also conducted programmes for various sections of society across the country including Gopalganj district. All the education and awareness programs are free for the participants. SEBI also carries out mass media campaign giving relevant messages to investors through popular media (TV/ Radio/Print/bulk SMSs/Digital media/cinema). As per information provided by the Department of Financial Services, during the year 2019-20 & 2020-21, a total of 45 Financial Literacy Camps were organised in the Gopalganj district by Financial Literacy Counselling Centre.

(c): Yes Sir. The Companies Act, 2013 contains provisions for protection of interests of investors, which inter-alia, include:

(i) Shareholders Associations/Group of Shareholders have been 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. has been provided 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 can also 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) have been empowered to elect a director in accordance with prescribed rules. (Section 151)

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

(vi) 'Class Action' has been 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 has been provided (Sections 235 and 236).

(viii) The scope of postal ballot (including electronic voting) has been widened. Certain important matters as 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.
