GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 1215
ANSWERED ON MONDAY, JULY 27, 2026/SHARAVANA 5, 1948 (SAKA)

LACK OF FINANCIAL LITERACY IN RURAL AREAS

1215. Shri Babu Singh Kushwaha:
Shri Neeraj Maurya:
Shri Lalji Verma:
Shri Devesh Shakya:
Shri Harendra Singh Malik:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government is aware that despite investor awareness programmes, financial literacy continues to be lacking in rural areas in the country, especially in Etah, Kasganj and Jaunpur Lok Sabha Constituencies in Uttar Pradesh, where the people are still losing money to Ponzi schemes and financial frauds, if so, the details thereof along with the steps taken by the Government to improve the situation;

(b) whether any independent audit has been conducted regarding the funds being utilized by the Investor Education and Protection Fund (IEPF) Authority and the actual benefits (outcomes) received by the investors in comparison to it, if so, the details thereof;

(c) whether a provision for penal action is likely to be made against companies that deliberately delay the claims and harass investors by raising unnecessary technical shortcomings such as signature mismatch or other minor flaws in their claims, if so, the details thereof; and

(d) whether the Government proposes to bring any special relief scheme to simplify the cumbersome process of filing claims and obtaining a succession certificate for the legal heirs of deceased investors and if so, the details thereof?

ANSWER

MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS AND MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(HARSH MALHOTRA)

(a): Improving financial literacy is a continuous effort. Investor awareness programmes are organized by Investor Education and Protection Fund Authority (IEPFA) in collaboration with professional bodies, India Post Payments Bank (IPPB) and other stakeholders to create awareness regarding safe investing, prevention of financial frauds, Ponzi schemes and unregulated deposit schemes.

These programmes are conducted across States and Union Territories, including the Etah, Kasganj and Jaunpur Lok Sabha Districts. Awareness material is also disseminated through digital platforms, social media, print media and electronic media.

(b): Impact Assessment on the outcomes achieved is prepared as part of the monitoring and evaluation process for investor awareness programmes conducted in collaboration with India Post Payments Bank (IPPB) and by the Financial Markets and Investors' Awareness Committee of the Institute of Chartered Accountants of India (ICAI) through its Programme Organising Units (PoUs). Almost 98% participants attended the Camps found them useful and relevant for the financial needs.

(c): The provisions relating to submission and verification of claims are governed by the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. As per Rule 7(3) of IEPF (AATR) Rules,2016, inter alia, provides the following

" Provided also that for failure to submit verification report of the claim in accordance with these rules, the company and its Nodal Officer shall be punishable as per the provisions of the Act'

(d): IEPFA vide notification dated 9th September, 2024 has simplified the claim process for transferring securities to legal heirs through legal heir certificates issued by revenue authorities. The requirement for furnishing a succession certificate is not mandatory in cases involving transmission of securities where the value of the claim does not exceed ₹5 lakh per issuer company in case of securities held in physical mode and ₹ 15 lakhs for securities held in dematerialised mode, subject to the claimant submitting the other prescribed documents in accordance with the provisions of the Rules.

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