

# **INVESTOR EDUCATION AND PROTECTION PROGRAMME**

*Supported by Ministry of Corporate Affairs, Government of India under IEPF*

**2007--08**

*A report*

## **Introduction**

### **Investor Plight**

Post liberalization, the Indian stock market witnessed a number of scams. Whether it was Harshad Mehta or Ketan Parekh or other promoters, they operated in the market with the sole objective of making a fast buck by luring small investors to their doom. Investors burnt their fingers in the market because of greed. After the last stock market scam of 2001, small investors are reluctant to enter the market even though companies are trading low PEs (price to earnings multiples). The 2000 scam dragged UTI deep into a morass. It lost nearly Rs. 15,000 crores in all. The parliamentary probes in scams did nothing concrete in terms of exemplary punishment to the culprits to win back the confidence of small investors. The Securities and Exchange Board of India has been given some powers to prosecute. But, nobody has yet been caught. Therefore, the question arises where does the small investors go from here. He looks for reasonable returns, which debt instruments cannot offer because the prevailing interest rates are very low. Now, returns are market driven which puts them at the mercy of fund managers.

History has witnessed how regulators remained mute spectators, allowing brokers to trap investors. This has hurt small investors who have lost their hard-earned money. After the Controller of Capital Issues of India (CCII) was dismantled, Indian investors were robbed by all promoters. Many big companies went into decline. But, the promoters were not affected. The majority of these companies have vanished. But, their promoters were unaffected. There were plantation companies, which raised thousands of crores of rupees. They advertised on TV and in newspapers. Nothing happened to these companies, as the government was mute spectator. The effect of all these forces shattered the investors' confidence. Investor base of 30 million included UTI investors' base of around 25 million. From all accounts, the real investor base in India would be around two millions only. In such a situation, if the government wants investors back in the capital market, it needs to strengthen the regulators, make them efficient, accountable and investor friendly. In the current scenario of volatile stock market, which is now a fact of life in the globalised economy investors have to be on their toes and take proactive decisions. They cannot be docile investors, either be active or be out of business. There is no midway in money market. They should not take the market as a place for speculators and punters.

### **Investor's Confidence- Problems**

Political economy affects not only financial markets but all markets, including the real estate sector. Therefore political economy has to become more and more responsive to the needs of a market-oriented regime. The primary task of a capital market is to ensure efficient resource allocation. But we have a capital market, which is more imperfect not because of the behavior of the players but the rules governing the market are outmoded, without any market - efficiency logic.

In civilized societies, the law and legal system are supposed to protect the interests of those who lend and not those who fail to repay. But our legal framework haunts lenders. The prevailing legal framework multiplies the default risk and non-performing asset (NPA) problems. There is need to restructure project financing so as to have low debt equity ratio to make debt itself risk capital.

In order to boost investors' confidence, confidence, better corporate governance is very essential. There is an urgent need to put in place best practices in corporate governance, specifically relating to the composition and role of the Board of Directors, role of Institutional Nominees, reporting and control systems and compliance with statutory requirements. The CCII has brought out a code of best practices but there is need to improve corporate functioning. The stock exchanges, brokers, and other market players should educate the investors on the following points:

1. improved state of trading and settlement practices.
2. reduced risks of execution, delivery, counter party exposures.
3. lower transaction cost and taking correct investment decisions.
4. credit rating system and its credibility.

### **Small Investor**

A small investor is recognized as the backbone of Capital Market. SEBI defines a small investors as an individual, who applies for upto and including 1000 shares in a public issue.

A meager 5% of the total capital was offered to small investors in public issues and in the case of book building IPOs only 3% was offered to the item.

The study has shown that it is policies that are keeping the small investors out of the capital market. The minimum percentage of capital that has to be offered to the public has been declining continuously, probably under corporate pressure.

Small investors were keeping out of public issues as a result of policies and not lack of interest on his part. In 2002 a study of the 4 bank's IPOs showed that small investors subscribed over 755 of the total issues. They did so despite the nervous state of market and the low confidence level of investors. Small investors should be given preference in public issues.

In booming economy, the need of the hour is attraction of small investors, who is the backbone of the economy and the capital market. But the small investor has to be prudent, vigilant, proactive so as to safeguard its interests.

### **CUTS Project**

CUTS has been working in the area of investor education and protection for almost ten years now and has been organising workshops/seminars etc all over the country on different consumer issues. CUTS is recognised, among others, by the Ministry of Corporate Affairs as an Investor Education and Protection Organisation and is also a registered investor association with SEBI.

## Project details

The project primarily envisaged building of a network of investor protection organisations at the grassroots, by identifying potential individuals and organisations working at the grassroots and building their capacities through training workshops. These workshops created a platform for the rural investors and investor protection organisations to interact with members of the stock exchange, representatives from the regulatory authorities and other subject experts who were invited to the workshops as resource persons and thus helped in creating a culture of investment in the Capital Market.

CUTS proposed to embark on a **three pronged approach** to address the situation by working in and for rural investors of ten different district headquarters of Rajasthan.

In the *first phase*, CUTS identified nodal grassroots consumer organisations in 10 selected districts, namely, Jodhpur, Sawaimadhopur, Jalore, Churu, Ajmer, Bikaner, Jhunjhunu, Alwar, Bharatpur and Kota. Two representatives each (mainly the key persons) from these organisations were imparted training by CUTS in Jaipur. It was expected that these organisations through the identified networkers would disseminate their learnings at the respective districts at the block/village level, which was ultimate target area. These nodal organisations in turn, created a network of committed (investor) activists in their districts, who effectively took up the issue of developing a culture of investment at the grassroots level.

In the *second phase*, training workshops of one and a half-day each were conducted in each of the ten identified districts (total of ten workshops) with a close involvement of the nodal organisations identified and trained in phase one. The nodal organisations identified atleast seven individuals from various small places (blocks) in their districts, who were invited to attend the one and half-day training workshops. These participants represented various blocks of the district, where the workshops were conducted.

Apart from CUTS own subject experts, other resource persons like representatives of local chambers of commerce, stock exchange, businesses, chartered accountants, district administration and lawyers formed the core of the resource team and the workshops were combination of lectures and group work.

Booklets, handouts and other relevant literature pertaining to investments were distributed to the participants.

In order to build up organisational capacities of the nodal organisations, they were encouraged to take charge of all arrangements and participation under the guidance of CUTS.

In the *third phase*, there were special lectures/sessions of half day at each place immediately after the workshop for the participants of the workshops under phase two and also for the general public. The keynote speakers to these open houses were eminent persons from the investor protection area.

## **Why this project?**

Looking to the risks in the stock market, a need was felt to educate the investors, especially the young investors of the smaller cities and towns (rural) regarding their rights and responsibilities as investor.

It has been felt that investors hailing from such areas do not have as much opportunity and exposure to appreciate the nuance of the stock market as compared to the ones coming from larger cities and metros.

## **Who all were the participants?**

The participants present were of mixed category. Some were totally new to the subject, some had experience of investing money in the market, and some had grievances against some or the other company. Some of the participants had never seen a share. Participants were from less educated to professional level. Most of the participants were not aware of capital markets, players in the market and from where to get information. Largely the participants were not aware of internet. Glossary of terms used in the capital market was explained to the participants.

## **Issues taken up in the programmes**

It is possible to reach the rural masses only through a co-ordinated approach focussing on building capacities of the relevant and interested individuals and organisations by equipping them with information, which they can further disseminate at the grassroots level. The informations disseminated were:

- Why an investor of the rural population should invest money in the capital market?
- To what extent, he or she should invest?
- What would be the opportunities of such investments?
- Is this the best investment? Better than Banks, Post offices, NBIs (Non-Banking financial Institutions) or elsewhere.
- Does this investment in capital market match with the investment objectives of the investors?
- What were the different kinds of investments in the capital market?
- What would be the risk covered in the different types of investments in the capital market?
- What safety measures were taken while investing in the capital market?

## **Topics Covered**

The Workshops were in the nature of awareness programme. The following topics were covered in the workshops:

- ✓ introduction to investments, savings and investment
- ✓ fundamental principals of investment – safety /security, return, growth, liquidity
- ✓ Risk and return, risk diversification, risk management and safeguards
- ✓ do's and don'ts for the investors
- ✓ financial and non-financial investments
- ✓ capital market and money market
- ✓ different types of investments

- ✓ different types of instruments – shares, debentures, bonds, mutual funds, derivatives, futures and options, index futures
- ✓ merchant bankers and their role
- ✓ transfer and dematerialization of shares
- ✓ SEBI – its role and responsibilities
- ✓ working of stock exchanges
- ✓ trading and settlement systems
- ✓ capital market intermediaries, their registration, roles and functions, responsibilities
- ✓ working of companies, Companies Act, 1956, Board of Directors
- ✓ rights and responsibilities of share holders
- ✓ Registrar of Companies
- ✓ Ministry of Company Affairs
- ✓ Investor Protection Organizations – their roles and responsibilities, registration with SEBI and MCA
- ✓ different types of investment problems
- ✓ complaints, redressal mechanism and different complaint redressal authorities

### **Programme wise details**

#### **Launch cum training and orientation under Phase 1 (A) at Jaipur on 22<sup>nd</sup> December 2007**

The project launch was organized on 22<sup>nd</sup> December 2007 at the Press Club of Jaipur in association with ‘The Economic Club’ being managed by a leading newspaper ‘Nafa Nuksan’.

#### *The participation*

The participants were the representatives of selected voluntary organisations of ten selected districts in the project. The ten districts namely Jodhpur, Sawaimadhopur, Jalore, Churu, Ajmer, Bikaner, Jhunjhunu, Alwar, Bharatpur and Kota.

There were all the ten organisations representing in the launch with three people in all from each organisation.

Apart from this, some share brokers, members of Economic Club and other citizens also participated in the programme, which was for almost three hours.

#### *Resource Person*

Noted economic analyst and Managing Director of Nafa Nuksan, Mr. Jai Singh Kothari was the main speaker in the programme and the title of the lecture was ‘Safe Investment in the present scenario of Capital Market’.

Apart from giving the training and orientation on the project, there was a special lecture from the resource person on safe investment, where some other participants like brokers and investors etc took part.

*Key Points emerged out from the speech of Mr. Kothari*

- It is often believed that India maintains its position through manipulation in this competitive international market but this manipulation will not work in this present era of change.
- The basis of growth will be wealth creation or technology and it will be mandatory to adopt it.
- There are mainly 15 factors affecting the change in this independent and capitalised economy. These factors will be responsible for controlling the rapid shift in the share market.
- It was often felt and realised that politicians were solely responsible for any major change but in the coming time, the base of this change will be industrialist and not the politicians.
- Similarly, the terms like Cold Chain in place of Hot Chain; Technology in place of Manipulation; English in place of Hindi and Global in place of National will be the basis of any change in the economy.
- An intelligent investor should think and understand these principles in order to stay in the market otherwise, independent and capitalised economy will throw out incapable investors.

**1<sup>st</sup> workshop and Open House at Ajmer on 26-27 December 2007 under phase II (B) and phase III (C)**

*The participation and the area represented*

On 26<sup>th</sup> December 2007, in the workshop of one and a half-day, the participants were the representatives of different blocks of Ajmer district. The blocks represented were Pisangan, Jawaja, Bhinay, Kekri, Masuda, Srinagar, Kishangarh, Beawer and Arai. Apart from this, some share brokers and other citizens also participated in the programme. In all, around 42 participants took part.

On the second half of 27<sup>th</sup> December 2007, in the open house, there were as many as 56 participants.

*Resource Person*

On the first day, Shri Sagarmal Kaushik, Chief of Mahila Kalyan Mandal was the chief guest. Other speakers on the occasion were Mr. Rakesh Kaushik, Advocate, Mr. Chain Singh Jetawat, Manager, Bank of Baroda, Manju Sen, an agent of Post Office Investments, Mr. Madan Singh, Insurance Agent and Sitaram Sharma, a share broker.

In the open house, Naresh Sharma, a broker and associated with Angel Broking in Ajmer Office was the key speaker.

## **2<sup>nd</sup> Workshop and the Open House at Jodhpur on 21-22 January**

### *The participation and the area represented*

At Jodhpur, in the workshop of one and a half-day, the participants were the representatives of different blocks of Jodhpur district. The blocks represented were Shergarh, Bilada, Mandhor, Luni, Phalodi, Baap and Jodhpur proper.

Apart from this, some share brokers and other citizens also participated in the programme. In all 37 participants took part on the first day.

On the second half of 22<sup>nd</sup> January, in the open house, there were as many as 45 participants.

### *Resource Person*

On the first day, Shri Bhagaram Meghwal, Supdt. Of Central Custom and Excise Department, Jodhpur was the chief Guest. Other speakers on the occasion were Mr. Kan Singh Kachwaha, an eminent chartered account of Jodhpur; Mr. Rajendra Singh Charan and Mr. Vinod Rajoria both lawyers and Mr. Kishan Meghwal, an activist.

In the open house, Mr. Suresh Rathi of Rathi Securities and Kan Singh, were the key speakers.

## **3<sup>rd</sup> Workshop and Open House at Jalore on 27<sup>th</sup> and 28<sup>th</sup> January 2008**

### *The participation and the area represented*

At Jalore, the number of participants was around 50 on both days i.e. 27<sup>th</sup> and 28<sup>th</sup> January 2008. The areas represented at Jalore were Ahore, Sanchor, Bhinmal, Raniwada, Sayla and Jalore proper.

### *Resource Person*

Raja Gopal Singh, an ex MLA of Bhadrachal was the chief guest and Mr. Pahar Singh Rajpurohit, Dy. S.P. of Jalore; Mrs Manju Solanki, vice chairperson of Nagarpalika, Jalore; Suresh Kumar Dave, a C.A. by profession and Murarilal Sharma, an activist were the speakers in the workshop, while Mr. Mohan Parashar, an eminent C.A. of the area spoke in the open house session.

## **4<sup>th</sup> Workshop and Open House at Sawaimadhapur on 8-9 February 2008**

In the series, the 4<sup>th</sup> programme at Sawaimadhapur was organised on 8-9 February 2008.

### *The participation and the area represented*

At Sawaimadhopur, in the workshop of one and a half-day, the participants were the representatives of different blocks of Sawaimadhopur district. The blocks represented were Bamanwas, Bonli, Gangapur and Sawaimadhopur.

Apart from this, some share brokers and other citizens also participated in the programme. In and all 40 participants took part on the first day.

On the second half of 9<sup>th</sup> February, in the open house, there were as many as 40 participants.

### *Resource Persons*

At Sawaimadhopur, on the first day, Shri Y C Sharma of ORG JVS Brokers Pvt Ltd, Udaipur; Mr. Hari Prasad Meena, Branch Manager, LIC, Sawaimadhopur; Mr. Altaf Hussain, Development Officer, LIC and Radhamohan Sharma, Advocate were the main resource persons.

On the second day, Mr. Dinesh Pareek, Share Broker and Mr. Kailash Yogi, LIC Agent were the other speakers.

## **5<sup>th</sup> Workshop and Open House at Churu on 22-23 February 2008**

### *Participation and the area represented*

At Churu, the number of participants was around 43 and 44 respectively on both days i.e. 22<sup>nd</sup> and 23<sup>rd</sup> February 2008. The areas represented at Churu were Sardarshahar, Taranagar, Rajgarh and Churu.

### *Resource Persons*

At Churu, Parvez Khan, Manager, India Infoline; Mr. Rajendra Rajpurohit, Advocate; Mr. Anil Sharma Area Manager of Bajaj Allianz were the keynote speakers, while Mr. Jai Singh Punia, Senior Manager in Central Cooperative Bank was the main speaker.

## **6<sup>th</sup> Workshop and Open House at Jhunjhunu on 28-29 February 2008**

### *Participation and the area represented*

At Jhunjhunu, the number of participants were 55 and 43 respectively on both the days i.e. 28-29 February 2008. The areas represented were Chirawa, Pilani, Surajgarh, Mandawa, Dundlod, Mukundgarh, Ajeetgarh and Khetri.

### *Resource Persons*

In Jhunjhunu, Mr. Nitin Agrawal of Suresh Rathi Securities; Mr. Raj Kumar Pareek, Public Relation Officer, Jhunjhunu; Mr. Gopal Purohit, Advocate and Mr. Sanjeev

Mahla, an activist were the main speakers, while on the second day, Mr. Dilip Modi, Managing Director of Modi Institute of Financial Planning and Investment, Jhunjhunu was the key note speaker.

### **7<sup>th</sup> Workshop and Open House at Bikaner on 20-21 March 2008**

#### *The participation and the area represented*

At Bikaner, in the workshop of one and a half-day, the participants were the representatives of different blocks of Bikaner district. The blocks represented were Bikaner, Nokha, Arjansar and Kolayat.

Apart from this, some share brokers and other citizens also participated in the programme. In and all 36 participants took part on the first day.

On the second half of 21 March, in the open house, there were as many as 26 participants.

#### *Resource Person*

At Bikaner, Shri Onji Vaishnav, a social activist; Mr. Kamlesh and Mr. Basant Kumar Mohta, a lawyers; Mr. Yogesh Paliwal, a C.A. and Mr. K K Vyas and Mr. K. Raj, a share brokers were the resource persons on both the days.

### **8<sup>th</sup> Workshop and Open House at Kota on 24-25 March 2008**

#### *The participation and the area represented*

At Kota, the number of participants were 65 and 43 respectively on both the days i.e. 24-25 March 2008. The areas represented were Sultanpur, Itawa, Sangod, Kota and Ramganjmandi.

#### *Resource Person*

At Kota, Dr M M Agrawal, though an eminent local psychiatrist by profession but very much interested in investment issues was the guest speaker and other then that Mr. Mr. R R Mitra and Mr. U S Mathur both Cas; Mr. Kulwant Gaur of Helpage India; Mr. Chandra Singh, retd D.S.P, Kota; Mr. Akhtar Khan and Mr. Naeem Quereshi both lawyers were the speakers on both the days.

### **9<sup>th</sup> Workshop and Open House at Alwar on 26-27 March 2008**

#### *The participation and the area represented*

At Alwar, the number of participants was around 40 and 41 respectively on both days i.e. 26<sup>th</sup> and 27<sup>th</sup> March 2008. The areas represented at Alwar were Rajgarh, Alwar, Bansur and Thanagaji.

#### *Resource Person*

In Alwar, Mr. Hari Shankar Goyal, an Advocate; Mr. Pramod Tanwar and Ms Swati Garg both from HDFC Bank; Mr. Hemaram Vishnoi, D.S.P, Alwar; Mr. Kamal

Kumar from NABARD; Mr. Shailendra Singh, a C.A and Mr. Kishan Singh Snehi, a rep. from Rathi Securities Ltd. were the resource persons on both the days.

### **10<sup>th</sup> Workshop and Open House at Bharatpur on 28-29 March 2008**

#### *The participation and the area represented*

In the last programme at Bharatpur on 28<sup>th</sup>-29<sup>th</sup> March 2008, the participants were 42 and 38 on both the days. The areas covered were Kumher, Rudawal, Deeg and Bharatpur.

#### *Resource Person*

At Bharatpur, Mr. Devendra Singh, C.A; Mr. Girish Tewari, a lawyer; Mr. Shivram Sharma and Mrs Sangeeta Vashishtha both brokers and Mr. Bahadur Singh, a retd S.P., Bharatpur were the speakers. Apart from this, Dr M K Vashishtha, Dr B S Soni, both doctors and Mr. Mohan Gorawar, a senior citizen also spoke.

#### *Highlights of all the ten programmes*

- Good number of participation from various sectors/fields and small businessman Apart from reps of VCOs/NGOs at all the four places.
- Barring few, all resource persons spoke to the point.
- Both electronic and print media coverage was good at all the places.
- Good organising of the programmes by the local coordinators.

#### **Co-ordinators of ten districts**

<b>S.No.</b>	<b>Name of the Networker</b>	<b>Address</b>	<b>Phone/ Mobile/ Fax/ E-mail</b>
1.	Shri Jaswant Singh Rawat	Ajmer Zila Gramin Upbhokta Sansthan P.- Masuda, Distt.- Ajmer	Ph.: 01462-266938, 266992 Fax: 01462-266991, 266861 Mob.: 99285 51369 E-mail: <a href="mailto:azgus_masuda@yahoo.co.in">azgus_masuda@yahoo.co.in</a>
2.	Smt. Sushila Devi	Shubham Mahila Prashikshan Sansthan, Aate Wali Gali, Alwar- 301 001	Ph.: 0144-2345295
3.	Shri Tripuresh Sharma	Upbhokta Seva Samiti, Near Model School, Pai Bagh, Bharatpur	Ph.: 05644- 229774(Resi.), 05644- 222233(Off.) Mob.: 92522 19488
4.	Shri Mahendra Kumar Ojha	'SANKALP' Sanstha, Hospital Road, P.- Ahore, Distt.- Jalore	Ph.: 02978- 222312 (Resi.) 222147, Fax: 222966 Mob.: 94145 34193
5.	Shri Rajendra Kumar Sen	Saarathi Sansthan, Post- Surajgarhmandi, Via- Chirawa, Distt.- Jhunjhunu	Mob.: 9413220711, Ph.: 01596-237679; Fax.: 01596-237921 Email: <a href="mailto:rajender_sen@yahoo.com">rajender_sen@yahoo.com</a>

6.	Shri Anwar Amhed Khan	Deshsevak Welfare Sociery, House of Munshi Mohmad Yasin, Hiran Bazar, Chander Ghanta 31, P.- Kota	Mob.: 93514 99789 Ph.: 0744-2381219, 2501712
7.	Shri Hari Prasad Yogi	Consumer Legal Help Society, (Opposite Girl School), Post- Alanpur, Distt.- Sawai Madhopur	Mob.: 99501 61423; Ph.: 07462-235012, 200772; Fax: 07462-220592 Email: <a href="mailto:consumer_orgswm@rediffmail.com">consumer_orgswm@rediffmail.com</a>
8.	Shri Pradeep Punia	Manav Pragati Sansthan Usmanabad Colony, Behind New Bus Stand, Churu- 331 001 (Raj.)	Ph.: 01562-258054 Mob.: 94146 65855
9.	Shri Simrath Ram Pathik	Samaj Evam Paryavaran Vikas Sansthan 581, Defence Colony, Kamla Nehru Nagar, Jodhpur	Ph.: 0291- 2759047, 02928-264373 Mob.: 94148 27738
10.	Shri Suresh Kumar Vyas	Upbhokta Sanrankshan Samiti, 38/86, Karmchari Colony, Post Nokha, Distt. Bikaner	Mob.: 9351338165, 9413400776 Ph: 0151-2211366/ 2215459

#### **Glimpse of the Proceedings of all the ten workshops and open houses:**

- The workshops turned out to be very interactive with good participation.
- The topics mentioned above were explained in a very simple way in Hindi language.
- Some of the questions, which were asked by the participants, were ‘Where to Invest?’, ‘What precautions are to be taken while investing?’, ‘In the falling interest rates, What should small investors do?’, ‘How should participants educate others?’, ‘How to identify good and bad Non-Banking Finance companies?’, ‘What an investor should do when a company vanishes?’ The questions of the participants were adequately responded. Some participants wanted to have clarifications of different terms used in the capital market, which were provided.
- The resource persons discussed about how to protect the persons who become agents of the companies, which collect money and disappear. The wreaths of local investors have to be tolerated by the agents, who have become intermediaries.
- Apart from the awareness level discussions of the topics listed above certain other subjects were discussed in some details. ‘How to invest in the Companies?’ was another topic discussed. ‘How to invest in shares and what precautions to be taken?’ were also explained.
- Some other topics were: opportunities available to small village investors, procedure for purchase and sale of shares in the secondary market, working of stock exchanges, how to select a good broker, complaint redressal system, price movement, share price indexes, dematerialization of shares, derivatives trading, index trading, internet trading, etc. etc.
- Out of many questions, one of the most common question was about non-banking finance companies, which took deposits and disappeared. It was explained by

resource persons to the participants that they should not be tempted by many attractive offers to get rich quick.

- Participants were explained about the online trading facility available.
- The subject matter of multi-channel marketing companies also came to fore. It was explained that, if there is only product marketing and no monetary deposits are involved, there is no legal prohibition against these types of transactions. However, no Non-Banking Finance Company can accept any deposit without the prior registration and approval of RBI.
- The participants were explained to be aware of this type of manipulations and consult the professionals before parting with their money.
- At all places, the participants were largely from NGOs, teachers, advocates, small business persons and accountants. Accordingly, the discussions varied from place to place. At some place, the discussion was conceptually at slightly higher level and at another, it was lower as compared to other places.

### **Recommendations putforth and Outcomes**

- The created team of trained investors was of the opinion that these meetings should go a long way and should be organised at regular intervals.
- The created network laid emphasis on doing such programmes at lower levels like chopals and other like places in order to create a culture of investment in their locality and raise level of awareness on various investment issues.
- More and more queries and questions came with regard to operations and functioning of mutual funds and subsequently, special meetings were demanded.
- The material distributed was demanded in simple Hindi, so that the understanding may increase.
- The investor team created through training will impart training and awareness on different investment issues on one to one basis like in groups of five to ten persons and may not be necessarily to a big group of 40-50 persons. They will in turn collect date of their complaints, which will be forwarded to CUTS and CUTS then will forward these complaints to the respective departments.

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**Investor Education and Protection Programme**  
**10/2/2007-IEPF- 2007-08**  
**Performance-cum-Achievement-Report**  
**vis-à- vis the Grant Released**

Phase	Description of the activities phase wise	Project Cost (Rs)	Performance cum achievement in the form of outcome	Actual expenditure incurred (Rs)
I (A)	Training Workshop for twenty identified persons of nodal grass-root organisations and a resource person and principal organiser.	23,000.00	<ol style="list-style-type: none"> <li>1. Successfully conducted and implemented</li> <li>2. Able to identify ten nodal networkers, who are really capable to do work in the area of investor education and protection and carry forward the activities in their respective areas.</li> <li>3. The phase provided the ten nodal coordinators an orientation training in order to get these replicated into their areas.</li> </ol>	22,745.00
II (B)	Training workshops of one and half day each in each of ten cities.	6,63,000.00	<ol style="list-style-type: none"> <li>1. Successfully conducted and implemented</li> <li>2. The one and half days training provided the selected participants a thorough know how of capital market.</li> <li>3. The participants were told about the on-line trading, de-mat accounting system, IPOs, primary and secondary markets, equities, debentures, debt instruments, bonds and mutual funds etc.</li> <li>4. These trainings were able to generate awareness on investor education and protection.</li> <li>5. The training provided a platform to develop a team of those dedicated networkers, who are capable in furthering this objective into their respective areas by way of handling investor grievances and also helping in developing a culture of investment at the grassroot level.</li> <li>6. At each of the ten places, not only the selected participants were good but also energetic and enthusiastic. The agenda set and the course material developed for one and half days was found to be relevant. The resource persons were very good and experienced. The media coverage after the programme at every place was excellent.</li> <li>7. The created team of trained investors were of the opinion that these meetings should go a long way and should be organised at</li> </ol>	2,19,765.00

			<p>regular intervals.</p> <p>8. The created network laid emphasis on doing such programmes at lower levels like chopals and other like places in order to create a culture of investment in their locality and raise level of awareness on various investment issues.</p> <p>9. The investor team created through training will impart training and awareness on different investment issues on one to one basis like in groups of five to ten persons and may not be necessarily to a big group of 40-50 persons. They will in turn collect date of their complaints, which will be forwarded to CUTS and CUTS then will forward these complaints to the respective departments.</p>	
III ( C )	Open Houses for the general public for half day in each of the ten cities.	1,22,500.00	<ol style="list-style-type: none"> <li>1. Successfully conducted and implemented</li> <li>2. An exclusive exercise meant for the general public as such, which not only provided space for the public to raise their queries and put forth their grievances before the experts but also had the opportunity to express suggestions for the investors to be carried forward to SEBI or MCA.</li> <li>3. This open house saw an attraction for investors towards raising such issues, which not only meant for the small investors but also at the policy level.</li> <li>4. More and more queries and questions came with regard to operations and functioning of mutual funds and subsequently, special meetings were demanded.</li> <li>5. The material distributed was demanded in simple Hindi, so that the understanding may increase.</li> <li>6. The participants were keen to know the intricacies of the capital markets.</li> </ol>	1,17,500.00
	<b>Total</b>	<b>8,08,500.00</b>		3,60,010.00
	<b>Contingency 10%</b>	<b>80,850.00</b>		<b>36,001.00</b>
	<b>Grand Total</b>	<b>8,89,350.00</b>		<b>3,96,011.00</b>

Mr J S Gupta  
Under Secretary to the Government of India,  
Ministry of Corporate Affairs,  
5<sup>th</sup> Floor, 'A' Wing, Shastri Bhawan, Dr R P Road  
New Delhi –110 001

Dear Mr Gupta

**Investor Education and Protection Programme under IEPF NO.10/2/2007**

Greetings from CUTS, Jaipur!

Kindly refer to the Ministry's sanction letter no. 10/2/2007-IEPF dated nil for administering Investor Education and Protection Activities in ten district headquarters of Rajasthan through training workshops and open houses, we hereby submit the final activity and the financial reports of the same.

The Utilisation Certificate duly signed by the Chartered Accountant in the enclosed format GFR 19 is enclosed along with the final report.

The final report comprises of details of activities, list of participants, photographs, media coverage and a report on performance cum achievement. The activities conducted in three phases included training workshop for ten selected nodal networkers under phase IA, ten one and half day workshops and as many open houses conducted in ten cities of Rajasthan namely, Ajmer, Jodhpur, Jalore, Sawaimadhopur, Churu, Jhunjhunu, Bikaner, Kota, Alwar and Bharatpur under phases IIB and IIIC respectively.

The total project sanctioned amount in all the three phases of the project is Rs. 889,350. Ministry had sanctioned 80% of the sanctioned amounting to Rs 711,480.

The organisation has incurred an expenditure of Rs 396,011. in total in all the three phases. Thus the unspent amount, which remains to be paid back to the Ministry is being refunded through Bank Draft no 476582 amounting to Rs 3,15,469.00 (Three Lac Fifteen Thousand Four Hundred and Sixty Nine on Canara Bank, Jaipur dated 30.08.08.

Kindly find the above mentioned items in order and acknowledge the receipt of the same. We shall be happy to give any clarification in this regard.

Thanking you,  
Yours sincerely,

Deepak Saxena  
Programme Officer

Cc: 1. Dr Jinesh Panchali  
Indian Institute of Capital Markets  
Plot 82, Sector 17, Vashi, Navi Mumbai 400 705

2. Mr S K Bhatt  
Accounts and Administration, CUTS, Jaipur

Encl: as above

Mr Sanjay Sood  
Asstt. Director to the Government of India,  
Ministry of Corporate Affairs,  
5<sup>th</sup> Floor, 'A' Wing, Shastri Bhawan, Dr R P Road  
New Delhi –110 001

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- Cc: 1. Mr J S Gupta  
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'A' Wing, Shastri Bhawan, Dr R P Road, New Delhi –110 001
2. Dr Jinesh Panchali  
Indian Institute of Capital Markets, Plot 82, Sector 17, Vashi, Navi Mumbai 400 705
3. Mr S K Bhatt, Accounts and Administration, CUTS, Jaipur

Encl: as above

**Mr Sanjay Sood**  
**Asstt. Director to the Government of India,**  
**Ministry of Corporate Affairs,**  
**5<sup>th</sup> Floor, `A' Wing,**  
**Shastri Bhawan,**  
**Dr R P Road**  
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**Mr J S Gupta**  
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**Indian Institute of Capital Markets,**  
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**Navi Mumbai 400 705**

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2009.10.06

Mr Sanjay Sood  
Asstt. Director to the Government of India,  
Ministry of Corporate Affairs,  
5<sup>th</sup> Floor, 'A' Wing, Shastri Bhawan, Dr R P Road  
New Delhi –110 001

Dear Mr Sood

**Investor Education and Protection Programme under IEPF NO.10/2/2007**

Greetings from CUTS, Jaipur!

Kindly refer to our last letter dated 6<sup>th</sup> August 2009, where a bank draft no. 540449 on Canara Bank, Jaipur amounting to Rs 83, 859 was enclosed and thereafter a telecon with you on 5<sup>th</sup> October 2009. It is stated that we have not heard from the Ministry after that and not even an official receipt or an acknowledgement sort of has been sent from your end. This amount has been refunded on the request from the Ministry letter dated 11<sup>th</sup> June 2009.

*(The copy of letters enclosed as annexure A)*

Now, since the whole process of accounting pertaining to the subject mentioned sanctioned project is over, so we request you to send us the balance amount, which the Ministry has to paid to us after deducting the disallowed amount of Rs 5,821 mentioned in the enclosed Ministry's letter. It was also stated over telephone by you that this amount will not be paid to CUTS as 20 percent of the total sanctioned is to be borne by us but if you look into the sanctioned letter received from the Ministry (*letter enclosed for your reference as annexure B*), there is no such mention and we were hopeful that once the Ministry completes the whole accounting process, we will get refund of the said amount after deducting the disallowed amount.

You are requested to kindly look into the matter and revert back to us with the clarity on the issue. Look forward to your valued response.

Thanking you,  
Yours sincerely,

Deepak Saxena  
Programme Officer

Cc: Mr P S Verma  
CUTS, Delhi Office