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**PRESS RELEASE**

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**Shri Sachin Pilot, Hon'ble Minister of Corporate Affairs (I/C) Government of India Inaugurated the "Investor Protection and Awareness Programme" today at Bhubaneswar.**



**Shri Sachin Pilot, Hon'ble Minister of Corporate Affairs (I/C), Government of India addressing the gathering at the "Investor Protection and Awareness Programme" held at Bhubaneswar today (19.07.2013)**

**Shri Sachin Pilot, Hon'ble Minister of Corporate Affairs (I/C), Government of India**, while addressing a huge gathering of more than 650 investors/participant and officials of Central Government and the State Government and representative of ICSI, ICAI, RBI, SEBI, Print & Electronic Media and other professionals, said that we are here for the most important topic how to protect the interest of the investor. There are 10 lakh companies registered but very few companies are working and some are deliberating something and doing something and will work together to take actions against these fraudulent companies. He cautioned about the workings of chit fund companies who are making false promises to the common people living in remote areas for motivating them to double / triple their money in between months or one year time. The Chit fund companies are using electronic media for spreading wrong information and misguiding the people. It is important to spread correct information through print media, SMS, advertisement etc. through simple language and educate the people about the law. He advocated that the regulators should take collective responsibilities for checking such type of frauds. He announced that one Serious Fraud Investigation Office (SFIO) would be opened in Odisha to investigate the fraud by Chit Fund companies. If any company works against the law we have to take strong legal steps against those companies. It is important to create a regulatory environment so that the investors can invest their money without any hesitation.

Further he said that the session will be quite beneficial and useful for all the common investors and we shall have more such events in the interior part of the state to educate the investors. In his concluding remarks he thanked to the ICSI, the lead partner along with the other partners ICAI, RBI & SEBI for organizing such event to educate the people of Odisha. He further said that the Government will provide financial support to such type of programmes in the interest of the common people.

**Shri Naved Masood, Secretary, Ministry of Corporate Affairs** in his address to the gathering elaborated the various law agencies of the Central & State Government to find out chit fund companies who are cheating the investors and urged that it is need of the hour of all of us to protect the interest of the Investors. He thanked the ICSI Headquarters for taking such tremendous efforts for organizing such big events in Odisha along with other partners so that the investors of Odisha can be benefited from such programmes. He also urged that more such programmes should be organized to create more awareness amongst the investors.

**Shri Balwinder Singh, Adviser, Ministry of Corporate Affairs, Government of India** while addressing the gathering analysed the way how the chit fund companies are attracting the small investors by showing advertisements & other way of communications. He also warned the investors to be careful of such fraud companies. Further he also deliberated on the categories of investors and explained the ways how to enrich their confidence for making investment of their money in a safe market.

**Shri Nilimesh Baruah, Director, SFIO** addressed the gathering and elaborated the role and function of the SFIO and its coordination with the Govt.

**Shri Ramesh Mohapatra, President, Utkal Chamber of Commerce & industry,** deliberated a key note address of the programme and also thanked ICSI, the lead

partner of this programme alongwith the other partners of ICAI, SEBI and RBI for patronizing the session. He stressed upon the need to find out ways & means to check the unscrupulous companies who are cheating the people.

In his concluding remarks CS (Dr.) Navrang Saini, Regional Director (MCA) Eastern Region applauded the efforts of ICSI, the lead partner and other partners ICAI, SEBI and RBI for organizing such event in a bigger manner. He also proposed a vote of thanks to the Hon'ble Minister, dignitaries on the dias distinguished guests and officials of Central & State Government, print & electronic media and the investors who have attended this programme.

### **TECHNICAL SESSION**

CS M.S. Sahoo, Secretary, the ICSI chaired the session. In his opening speech, he gave an introduction about the theme of the programme and some tips for the common investors who want a safe market for putting their money.



**CS M.S. Sahoo, Secretary, the ICSI addressing the gathering during the Technical Session of the “Investor Protection and Awareness Programme” held at Bhubaneswar today (19.07.2013)**

He stressed upon the need that the regulators should create the confidence in the mind of the investors that he does not suffer from fraud and he is indemnified by the regulatory mechanism for the loss. However, the common investors should first be educated so as to avoid any such kind of fraud. There is no grievance from Institutional investors as they are intelligent investors. But a lot of grievances are received from retail investors.



**Shri P. Vijaya Bhaskar – Executive Director, RBI** Stressed upon need for collective responsibility for prevention and redressal of the investors' grievances. He advised that the investors should spend sometime before making investment in order to take the right decision as the earned through out the life time should be invested carefully. He cautioned to be careful if somebody offers free lunch. For heaven shake, he repeatedly said to think twice before signing if somebody is offering hefty return.

There is no registered chit fund companies in Odisha. Chit fund registered under the Act cannot take public deposits. Otherwise, it is violating the provisions of the Act. He made a presentation on the various types of companies and organizations registered under different authorities and distinguished NBFC companies from other companies. He clarified that in case of NBFC companies, majority of income and assets are in financial assets. But other companies though not strictly NBFC companies represent themselves as NBFC companies.

**Shri S.V. Krishnamohan, Regional Manager, SEBI** stated that the objective of SEBI's to regulate the capital market investor education and investor protection are complimentary to each other. He stressed that long term investment in equity gives the highest return compared to other assets.

Financial education is important for selecting the financial products and assessing the risk involved in it. He further advised that one should start investing early. He explained different types of products about which the investors should have knowledge so as to make a proper planning.

SEBI has engaged a large number of resource person to spread financial literacy among the common man.

**CA Prasant S Panda, Member of Professional Development Committee** while speaking on the occasion, expressed that how the unscrupulous companies use such huge fraud and the regulators are remaining silent over it.

Problem lies with the unstructured companies.

Companies Act was amended allowing companies to accept deposits from public. This is meant for regulating deposits collected by structured companies. He suggested that audit should be now tougher and audit may give comments on how things can be worked out to check the unscrupulous companies from cheating the public. This can also happen though investor education as prevention is always better than cure.

**Dr. D.V. Ramana, Professor of Finance, XIM, Bhubaneswar** made a very analytical presentation looking real problem. He said that it is not collective responsibility, rather it is the individual responsibility to read between the lines and spread the spirit behind the lines to educate the people who have become victims of the financial fraud. He stressed upon the need that we should not focus only

on the companies indulged in fraud, but the intermediaries who are advising the companies should also be held responsible for such kind of frauds. It is really sad if the common man is cheated through our intelligent advice. We should not only read the law, but understand the spirit behind the lines and spread the spirit among the common man so as to get them financial literate. We need not go to the rural area to educate them. As the majority of the rural population are migrating to the urban, financial literacy programmes can be held in urban area itself for such kind of people to ensure inclusive growth.

Lastly, **CS M.S. Sahoo, Chairman** of the Session summed up the discussion and explained the loopholes in the existing legal frame work for addressing the present problems quickly.

**CS Arabinda Acharya, Chairman of the Bhubaneswar Chapter** proposed a hearty vote of thanks to the dignitaries on the Dias and distinguished invitees off the Dias and expressed his gratitude to the Lead Partner and other Partners of the Programme for giving this opportunity to the Bhubaneswar Chapter for organizing the programme.

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