

# **Investor Education and Protection Fund Authority (Form of Annual Statement of Accounts) Rules, 2018**

UNION OF INDIA

India

## **Investor Education and Protection Fund Authority (Form of Annual Statement of Accounts) Rules, 2018**

### **Rule**

### **INVESTOR-EDUCATION-AND-PROTECTION-FUND-AUTHORITY-FORM of 2018**

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Investor Education and Protection Fund Authority (Form of Annual Statement of Accounts) Rules, 2018 Published vide Notification No. G.S.R. 1023(E), dated 11.10.2018 G.S.R. 1023(E). - In exercise of the powers conferred by sub-section (11) of section 125 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules, namely : -

#### **1. Short title and commencement.**

(1) These rules may be called the Investor Education and Protection Fund Authority (Form of Annual Statement of Accounts) Rules, 2018. (2) They shall come into force on the date of their publication in the Official Gazette.

#### **2. Definitions.**

(1) In these rules, unless context otherwise requires, -(a) "Act" means the Companies Act, 2013 (18 of 2013); (b) "Authority" means the Investor Education and Protection Fund Authority constituted under subsection (5) of section 125 of the Act; (c) "Form" means the Form annexed to these rules; (d) "Fund" means the Investor Education and Protection Fund established under sub-section (1) of section 125 of the Act; (e) "investor" means any person, who has invested money in shares or debentures, bond or deposits under a scheme or plan of a company registered under the Act; (f) "Schedule" means the Schedule to the Form annexed to these rules; (g) "year" means the financial year beginning on 1st April and ending on 31st March of the year immediately following. (2) Words and expressions used herein and not defined but defined in the Act shall have

the same meanings assigned to them in the Act.

### 3. Forms of Financial Statements.

(1)The Authority shall maintain its accounts in the Form of financial statements annexed to these rules.(2)The Authority shall follow the instructions and accounting principles for maintaining the financial statements issued or laid down by the Central Government from time to time.(3)The financial statements shall give a true and fair view of the State of affairs of the Authority and shall comply with the Accounting Standards notified under section 133 of the Act.

### 4. Incurring of Expenditure by the Authority.

- The officer of the Authority incurring or authorising expenditure from the Fund shall follow the Standards of financial propriety and the General Financial Rules, 2017.

### 5. Annual Statement of Accounts.

(1)At the end of a period of twelve months ending with 31st March of every year, the Authority shall prepare the following financial statements along with Schedules, as required, notes on accounts and significant accounting policies in accordance with the notes and instructions for compilation of financial statements prescribed by Government of India, Ministry of Finance, Controller-General of Accounts as modified and annexed to these rules:(i)balance sheet,(ii)income and expenditure Account,(iii)receipt and payment Account.(2)The balance sheet, income and expenditure account and receipt and payment account and the Schedules referred to in sub-rule (1), shall be approved and adopted by the Authority or a Committee authorised by the Authority on its behalf and for the purpose of authentication, the same shall be signed by the Chairperson and one Member of the Authority.(3)The approved accounts of the Authority shall be forwarded to the Comptroller and Auditor-General of India or any other person appointed by him on his behalf within the period of three months after the expiry of the year for the purposes of audit.(4)The annual accounts of the Authority, as certified by the Comptroller and Auditor General of India or any other person appointed by him on his behalf, alongwith the audit report thereon after adoption by the Authority shall be forwarded to the Central Government for laying before both the Houses of Parliament.

### 6. Maintenance of Accounts etc.

- The Authority shall preserve the balance sheet, income and expenditure account, Schedules to the above statements and the receipt and payment account referred to in sub-rule (1) of rule 5 for a minimum period of eight years, following the year to which they relate.  
Form of Financial Statements[see rule 3]Name of Entity:Investor Education and Protection Fund AuthorityBalance Sheet As At\_\_\_\_\_ (Amount Rs.)

Fund and Liabilities	Schedule	Current Year	Prev. Year
----------------------	----------	-----------------	---------------

Corpus/Capital Fund	I
Reserves and Surplus	II
Earmarked/Endowment Funds	III
Secured Loans and Borrowings	IV
Unsecured Loans and Borrowings	V
Deferred Credit Liabilities	VI
Current Liabilities and Provisions	VII

Total

Assets

Fixed Assets	VIII
Investments - From Earmarked/Endowment Funds of Authority	IX
Investments - Others	X
Current Assets, Loans and Advances	XI

Miscellaneous Expenditure (to the extent not written off or adjusted)

Total

Significant Accounting Policies XXII

Contingent Liabilities and Notes on Accounts XXIII

Investor Education and Protection Fund Authority Chairperson CEO Place: Delhi Date Receipt And Payment For The Period/year Ended \_\_\_\_\_ [see rule 5] (Amount - Rs)

Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
I. Opening Balances			1. Expenses		
(a) Cash in Hand (b) Bank Balance expenses			(a) Establishment (corresponding to Schedule XVIII)		
(i) In Current Accounts			(b) Administrative Expenses (Corresponding to Schedule XIX)		
(ii) In Deposit Accounts			II. Payment made against funds for various projects		
(iii) Saving Accounts					
II. Grants Received			(Name of the fund or project should be shown along with the particulars of payment made for each project)		
(d) From Government of India					

(e) From State Government

(f) From Other Sources  
(Details) (Grants for Capital and  
Revenue Expenditure to be  
shown separately)

III.  
investments  
Deposits  
Made

a) Out of  
Earmarked  
/Endowment  
funds

III Income on Investment form  
(a) Earmarked/Endowment Funds

(b) Own Funds (Other Fixed  
Assets & investments)

(Investment-other)

IV. Expenditure on  
Capital Work-in-  
Progress

IV. Interest Received

(i) On Bank deposits

(ii) Loans, advance etc.

(a) Purchase of fixed  
Assets

(b) Expenditure on  
Capital Work-in-  
Progress

V. Refund of  
surplus money/Loans

a) To the Government of  
India

b) To the  
State Government

V. Other Income (Specify)

c) To  
other providers  
of funds

VI) Finance Charges  
(Interest)

VI. Amount Borrowed.

VII) Other  
Payments (Specify)

VIII. Closing Balances

VII. Any other receipts (give  
details)

a) Cash in Hand

b) Bank Balances

(i) In Current Accounts

(ii) In Deposit Accounts

(iii) Savings Accounts

Total

Total

Investor Education and Protection Fund Authority Chairperson CEO Place: Delhi Date: Income and  
Expenditure Accounts For The Period/year Ended \_\_\_\_\_ [see rule 5] (Amount - Rs)

Income	Schedule	Current Year	Previous Year
Income from sales/services	XII		
Grants/Subsidies	XIII		
Fees/Subscriptions	XIV		
Income from Investments (Income on invest, from earmarked/endow funds transferred to funds).	XV		
Income from Royalty, Publications etc.	XVI		
Interest Earned	XVII		
Other Income Increase/(Decrease) in stock of Finished goods and Work in Progress	XVIII XIX		
Total (A)			
Expenditure	Schedule	Current Year	Previous Year
Establishment Expenses	XX		
Other Administrative Expenses, etc.	XXI		
Expenditure on Grants, subsidies etc.	XXII		
Interest	XXIII		
Depreciation (Net Total at the year end)	XXIV		
TOTAL (B)			

Balance being excess of Income over Expenditure(A-B) Transfer  
to Special Reserve (Specify each) Transfer to/from General  
Reserve

Balance Being Surplus (Deficit) Carried ToCorpus/capital Fund

Significant Accounting Policies XXV

Contingent Liabilities and Notes on Accounts XXVI

Investor Education and Protection Fund AuthorityChairperson CEOPlace: DelhiDate:

## **Forming Part of Balance Sheet As At 31at March 20.....**

\_\_\_\_\_ (see rule 5)

I

Corpus/ Capital Fund(Amount - Rs.)

	Current Year	Previous Year
Balance as at the beginning of the year		
Add: Contributions towardsCorpus/ Capitalfund		
Add/(Deduct): Balance of net income/(expenditure) transferred from the Income and Expenditure Account		
Balance As At The Year -End		

II

Reserves and Surplus(Amount - Rs.)

	Current Year	Previous Year
1. Capital Reserve(i) As per lastAccount(ii) Addition duringthe year(iii) Less: Deductions during the year		
2. RevaluationReserve(i) As per lastAccount(ii) Addition duringthe year(iii) Less: Deductions during the year		
3. Special Reserves(i) As per lastAccount(ii) Addition duringthe year(iii) Less: Deductions during the year		
4. General Reserve(i) As per lastAccount(ii) Addition duringthe year(iii) Less: Deductions during the year		
Total		

**III****Earmarked/endowment Funds(Amount - Rs.)**

Fund	Fund Break up	Totals	
		Current Year	Previous Year
	a) Opening balance of the funds		
b) Additions to the Funds:			
(i) Donations/grants			
(ii) Income from investments made on account offunds			
(iii) Other additions (specify nature)			
Total (a+b)			
c) Utilisation/Expenditure towards objectives offunds			
i) CapitalExpenditure -Fixed Assets- Others			
Total			
ii) RevenueExpenditure - Salaries, Wages and allowances etc.- Rent- Other Administrative			
Expenses Total			
Total (c)			
Net Balance As At The Year-End (a + b - c )			

Notes - (1) Disclosures shall be made under relevant heads based on conditions attaching to the grants.(2)Plan Funds received from the Central/State Governments are to be shown as separate Funds and not to be mixed up with any other Funds.

**IV****Secured Loans and Borrowings(Amount Rs.)**

	Current Year	Previous Year
1. Central Government		
2. State Government (Specify)		
3. Financial Institutions		
a) Terms Loansb) Interest accrued and due		
4. Banks		

- a) Term Loans- Interest accrued and due
- b) Other Loans (specify)- Interest accrued and due
- 5. Other Institutions and Agencies
- 6. Debentures and bonds
- 7. Others (Specify)

Total

Note: Amounts due within one year

## V

Unsecured Loans And Borrowings(Amount -Rs.)

Current Year Previous Year

- 1. Central Government
- 2. State Government
- 3. Financial Institutions
- 4. Banks:
  - a) Term Loans
  - b) Other Loans (specify)
- 5. Other Institutions and Agencies
- 6. Debentures and Bonds
- 7. Fixed Deposits
- 8. Others (specify)

Total

Note: Amounts due within one year

## VI

Deferred Credit Liabilities(Amount - Rs.)

Current Year Previous Year

- 1. Acceptances secured by hypothecation of capital equipment and other assets.
- 2. Others

Total

Note: Amounts due within one year



**VII****Current Liabilities and Provisions(Amount - Rs.)**

	Current Year	Previous Year
<b>A. Current Liabilities</b>		
1. Acceptances		
2. Sundry creditors:-		
a. For Goods		
b. Others		
3. Advances Received		
4. Interest accrued but not due on:		
(a) Secured Loans/borrowings		
(b) Unsecured Loans/borrowings		
5. Statutory Liabilities:		
(a) Overdue		
(b) Others		
6. Other Current Liabilities		
Total (A)		
<b>B. Provisions</b>		
1. For Taxation		
2. Gratuity		
3. Superannuation/Pension		
4. Accumulated Leave Encashment		
5. Trade Warranties/Claims		
6. Others (specify)		
Total (B)		
Total (A+B)		

**VIII****Fixed Asset(Amount - Rs.)**

Gross Block	Depreciation	Net Block						
description	cost/valuation as at beginning of the year Rs.	additions during the year Rs.	deductions/adjustments during the year Rs.	cost/valuation as at beginning of the year Rs.	As at the beginning of the year Rs.	during on the year	deduct during the year Rs.	

A. Fixed Assets

1. Land

a) Freehold

b) Leasehold

2. Buildings:

a) On Freehold  
Land

b) On Leasehold  
land

c) Ownership  
Flat / Premises

d)  
Superstructures  
on Land not  
belonging to  
the entity

3. Plant  
Machinery &  
Equipment

4. Vehicles

5. Furniture &  
Fixtures

6. Office  
Equipments

7. Computers /  
Peripherals

8 Electrical  
Installations

9 Library Books

10 Tube-wells &  
W Supply

11 Other Fixed  
Assets

Total Of Current  
Year

Previous Year

Capital Work In

Progress Total

Total

Note to be given as to cost of assets on hire purchase basis included above.

## **IX**

Investments From Earmarked/endowment Funds(Amount - Rs.)

	Current Year	Previous Year
1. In Government Securities		
2. Other approved Securities		
3. Shares		
4. Debentures and Bonds		
5. Subsidiaries and Joint Ventures		
6. Others (to be specified)		

Total

## **X**

Investments - Others(Amount - Rs.)

	Current Year	Previous Year
1. In Government Securities		
2. Other approved Securities		
3. Shares		
4. Debentures and Bonds		
5. Subsidiaries and Joint Ventures		
6. Others (to be specified)		

Total

**XI**

Current Assets, Loans, Advances Etc.(Amount - Rs.)

		Current Year Rs.	Previous Year Rs.
	Current Assets. Loans. Advances Etc.		
A	Current Assets:1.Inventories		
(a) Stores and Spares			
(b) Loose tools			
(c) Stock-in-trade	Finished Goods		
Progress	Raw Material(if not relevant nil may be written)		
	2. Sundry Debtors		
	a) Debts Outstanding for a period exceeding six months		
	b) Others		
	3. Cash balances in hand (including cheques/drafts and imprest)		
	4. Bank Balances :		
	With Scheduled Banks:		
	With Non Scheduled Bank		
	- In Current Accounts		
	- In Deposit Accounts (incl. margin money)		
	- On Savings Accounts		
	5. Post Office - Savings Accounts		
	TOTAL (A)		
B	Loans, Advances And Other Assets		
	1. Loans to :		
	a) Staff		
	b) Other Entities engaged in activities/objectives similar to that of the Entity		

c) Other (specify)

2. Advances and other amount recoverable in cash or in kind or for value to be received:

a) On Capital Account

b) Prepayments

c) Others

3. Income Accrued

a) On Investments from Earmarked/  
Endowment Fund b) On Investments - other

c) On Loans and Advances d) Others

(includes income due unrealized Rs. ....) 4.

Claims Receivable TOTAL (B) TOTAL (A+B)

## Forming Part of Income and Expenditure for the Year Ended 31st march 20.....

### XII

Income From Sales/ Services Amount (Rs)

Current year Previous Year

Income from sales

Income from services

### XIII

Grants/subsidies (Irrevocable Grants & Subsidies Received) (Amount-Rs.)

Current Year Previous Year

1) Central Government

2) State Government(s)

3) Government Agencies

4) Institutions/Welfare Bodies

5) International Organisations

## 6) Others (Specify)

Total

**XIV**

Fees/subscriptions(Amount-Rs.)

Current Year Previous Year

1) Entrance Fees

2) Filing Fees

3) Seminar/Programe Fees

4) Consultancy Fees

5) Others T (Specify)

TOTAL

Note - Accounting Policies towards each item are to be disclosed

**XV**

Income From Investments(Income on Invest. From Earmarked/Endowment Funds transferred to Funds)(Amount-Rs.)

1) Interest a) On Govt.  
SecuritiesInvestment from Earmarked  
FundInvestment -  
Others

Current Year

Previous Year

Current Year

Previous  
Year

b) Other Bonds/Debentures

2) Dividends

a) On Shares

b) On Mutual Fund Securities

3) Rents

4) Others (Specify)

Total

Transferred to Earmarked/Endowment Funds

**XVI****Income From Royalty, Publication Etc.(Amount-Rs.)**

Current Year Previous Year

1) Income from Royalty

2) Income from Publications

3)Others (Specify)

Total

**XVII****Interest Earned(Amount-Rs.)**

1) On Term Deposits:

Current Year Previous Year

a) With Scheduled Banks

b) With Non-Scheduled Banks

c) With Institutions

d) Others

2) On Savings Accounts:

a) With Scheduled Banks

b) With Non-scheduled Banks

c) Post Office Savings Accounts

d) Others

3) On Loans:

a) Employees/Staff

b) Others

4) Interest on Debtors and Other Receivables

Total

Note - Tax deducted at source to be indicated

**XVIII****Other Income(Amount-Rs.)**

1) Profit on Sale/disposal of Assets: a) Owned assets b) Assets acquired out of grants, or received free of cost

2) Fees for Miscellaneous Services

3)

Current Year Previous Year

MiscellaneousIncomeTotal

## **XIX**

Increase/(Decrease) in Stock of Finished Goods and Work in ProgressAmount (Rs)

Current year Previous Year

Income from sales

Income from services

## **XX**

Establishment Expenses(Amount-Rs.)

Current Year Previous Year

a) Salaries and Wages

b) Allowances and Bonus

c) Contribution to Provident Fund

d) Contribution to Other Fund (specify)

e) Staff Welfare Expenses

f) Expenses on Employees' Retirement andTerminal Benefits

g) Others (specify)

Total

## **XXI**

Other Administrative Expenses Etc.(Amount-Rs.)

Current Year Previous Year

a) Purchases

b) Labour and processing expenses

c) Cartage and Carriage Inwards



- d) Electricity and power
- e) Water charges
- f) Insurance
- g) Repairs and Maintenance
- h) GST
- i) Rent, Rates and Taxes
- j) Vehicles Running, Maintenance or Hiring charges
- k) Postage, Telephone and Communication Charges
- l) Printing and Stationery
- m) Travelling and Conveyance Expenses
- n) Expenses on Seminar/Workshops
- o) Subscription Expenses
- p) Expenses of Fee
- q) Auditors Remuneration/Legal Fee
- r) Hospitality Expenses
- s) Professional Charges
- t) Provision for Bad and Doubtful Debts/Advances
- u) Irrecoverable Balances return off

v) Packing Charges

w) Freight and Forwarding Expenses

x) Distribution Expenses

y) Advertisement and Publicity

z) Others (to be specified)

Total

**XXII**

Expenditure on Grants, Subsidies Etc.(Amount - Rs.)

Current Yea Previous Year

a) Grants given to Institutions/Organisations

b) Subsidies given to Institutions/Organisations

Total

Note : Name of the Entities, their Activities along with the amount of Grants/subsidies are to be disclosed.

**XXIII**

Interest(Amount - Rs.)

Current Year Previous Year

(a) On Fixed Loans

(b) On Other Loans (including Bank Charges)

(c) Others (specify)

Total

## XXIV

Depreciation (Total at the Year End)(Amount - Rs.)

Current Year Previous Year

(a) On Fixed ASSETS

(b) On Movable Assets

(c) Others (specify)

Total

**Forming Part of the Accounts for the Year Ended 31st March,  
20.....**

## XXV

Significant Accounting Policies (Illustrative)

**1. Accounting Convention. - The financial statements are prepared on the basis of historical cost convention, unless otherwise stated and on the accrual method of accounting.**

**2. Investments. - 2.1 Investments classified as "long term investments" are carried at cost. Provision for decline, other than temporary, is made in carrying cost of such investments.**

2.2 Investments classified as "Current" are carried at lower of cost and fair value. Provision for shortfall on the value of such investments is made for each investment considered individually and not on a global basis. 2.3 Cost includes acquisition expenses like brokerage, transfer stamps.

**3. Fixed Assets. - 3.1 Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental and direct expenses related to acquisition. In respect of projects involving construction, related pre-operational expenses (including interest on loans for specific project prior to its completion), form part of the value of the assets capitalized.**

3.2 Fixed Assets received by way of non-monetary grants, (other than towards the Corpus Fund), are capitalized at values stated, by corresponding credit to Capital Reserve.

**4. Depreciation. - 4.1 Depreciation is provided on straight-line method as per rates specified in the Income-tax Act, 1961 except depreciation on cost adjustments arising on account of conversion of foreign currency liabilities for acquisition of fixed assets, which is amortized over the residual life of the respective assets.**

4.2 In respect of additions to/deductions from fixed assets during the year, depreciation is considered on pro-rata basis. 4.3 Assets consisting Rs.5,000 or less each are fully provided.

**5. Miscellaneous Expenditure. - Deferred revenue expenditure is written off over a period of 5 years from the year it is incurred.**

**6. Accounting For Sales. - Sales include excise duty and are net of sales returns, rebate and trade discount.**

**7. Government Grants/subsidies. - 7.1 Government grants of the nature of contribution towards capital cost of setting up projects are treated as Capital Reserve.**

7.2 Grants in respect of specific fixed assets acquired are shown as a deduction from the cost of the related assets. 7.3 Government grants/subsidy are accounted on realization basis.

**8. Foreign Currency Transactions. - 8.1 Transactions denominated in foreign currency are accounted at the exchange rate prevailing at the date of the transaction.**

8.2 Current assets, foreign currency loans and current liabilities are converted at the exchange rate prevailing as at the year end and the resultant gain/loss is adjusted to cost of fixed assets, if the foreign currency liability related to fixed assets, and in other cases is considered to revenue.

**9. Lease. - Lease rentals are expensed with reference to lease terms.**

**10. Retirement Benefits. - 10.1 Liability towards gratuity payable on death/retirement of employees is accrued based on actuarial valuation.**

10.2 Provision for accumulated leave encashment benefit to the employees is accrued and computed on the assumption that employees are entitled to receive the benefit as at each year end.

**XXVI****Contingent Liabilities And Notes On Accounts (Illustrative)****1. Contingent Liabilities. - 1.1 Claims against the Entity not acknowledged as debts - Rs. \_\_\_\_\_**

(Previous year Rs. \_\_\_\_\_) 1.2 In respect of:- Bank guarantees given by/on behalf of the Entity -Rs. \_\_\_\_\_ (Previous year Rs. \_\_\_\_\_).- Letters of Credit opened by Bank on behalf of the Entity -Rs. \_\_\_\_\_ (Previous year Rs. \_\_\_\_\_).- Bills discounted with banks Rs. \_\_\_\_\_ (Previous year Rs. \_\_\_\_\_). 1.3 Disputed demands in respect of: 1.4 In respect claims from parties for non-execution of orders, but contested by the Entity - Rs. \_\_\_\_\_ (Previous year Rs. \_\_\_\_\_).

**2. Capital Commitments. - Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. (Previous year Rs. \_\_\_\_\_).****3. Lease Obligations. - Future obligations for rentals under finance lease arrangements for plant and machinery amount to Rs. \_\_\_\_\_ (Previous year Rs. \_\_\_\_\_).****4. Current Assets, Loans And Advances. - In the opinion of the Management, the current assets, loans and advances have a value on realization in the ordinary course of business, equal at least to the aggregate amount shown in the Balance Sheet.****5. Taxation. - In view of there being no taxable income under Income-tax Act 1961, no provision for Income tax has been considered necessary.**

Current Year    Previous Year

**6. Foreign Currency Transactions. - 6.1 Value of Imports calculated on C.I.F Basis:**

- Purchase of finished Goods- Raw Materials & Components (Including in transit)- Capital Goods- Stores, Spares and Consumablesd) Travel) Remittances and Interest payment to Financial Institutions/ Banks in Foreign Currencyf) Other expenditure:- Commission on Sales- Legal and Professional Expenses- Miscellaneous ExpensesEarnings:Value of Exports on FOB basisRemuneration to auditors:As Auditors- Taxation matters- For Management services- For certification6.2Expenditure in Foreign Currencies.Others

**7. Corresponding figures for the previous year have been regrouped/ rearranged, wherever necessary.**

**8. Schedules I to XXIII are annexed to and form an integral part of the Balance Sheet as at \_\_\_\_\_ and the Income and Expenditure Account for the year ended on that date.**