

**COMMITTEE ON PAPERS LAID ON THE TABLE  
(2023-24)**

**162**

**SEVENTEENTH LOK SABHA**

**162<sup>nd</sup> REPORT**

**[Action taken by the Ministry of Corporate Affairs on the Observations/ Recommendations made by the Committee in their 120<sup>th</sup> Report (17<sup>th</sup> Lok Sabha) regarding the delay in laying the Annual Reports and Audited Accounts of the Investor Education and Protection Fund Authority (IEPFA), New Delhi.]**

**(Presented to Lok Sabha on 20.12.2023)**



**सत्यमेव जयते**

**LOK SABHA SECRETARIAT  
NEW DELHI**

**December, 2023/ Agrahayana, 1945 (Saka)**

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**COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE**  
**(2023-24)**

**Shri Girish Chandra** - **Chairperson**

**MEMBERS**

2. Shri Shafiqur Rahman Barq
3. Dr. A. Chellakumar
4. Shri Pallab Lochan Das
5. Shri Choudhury Mohan Jatua
6. Choudhary Mehboob Ali Kaiser
7. Dr. Amol Ramsing Kolhe
8. Shri Jamyang Tsering Namgyal
9. Smt. Aparupa Poddar
10. Shri T.N. Prathapan
11. Shri Sellaperumal Ramalingam
12. Shri Saptagiri Sankar Ulaka
13. Shri Devendrappa Y.
14. Shri Ashok Kumar Yadav
15. Vacant \*

**SECRETARIAT**

1. Shri Vinay Kumar Mohan - Joint Secretary
2. Shri Naval K. Verma - Director
3. Shri Rahul Singh - Deputy Secretary

## **INTRODUCTION**

I, the Chairperson of the Committee on Papers Laid on the Table (2023-24), having been authorized by the Committee to present the Report on their behalf, present this 162<sup>nd</sup> Report on the action taken by the Ministry of Corporate Affairs on the Observations/ Recommendations made by the Committee in their 120<sup>th</sup> Report (17<sup>th</sup> Lok Sabha) regarding delay in laying of the Annual Reports and Audited Accounts of the Investor Education and Protection Fund Authority (IEPFA), New Delhi.

2. The 120<sup>th</sup> Report (17<sup>th</sup> Lok Sabha) was presented to Lok Sabha on 03 April, 2023. The Ministry of Corporate Affairs has furnished their replies indicating the action taken on the Observations/ Recommendations contained in the 120<sup>th</sup> Report. The Committee considered and adopted this Report at their sitting held on 13 December, 2023.

3. The Committee place on record their appreciation of the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

4. The Observations/Recommendations of the Committee have been printed in bold letters at the end of the Report.

**New Delhi;  
13 December, 2023  
22 Agrahayana , 1945 (Saka)**

**Girish Chandra  
Chairperson  
Committee on Papers Laid on the Table  
Lok Sabha**

## REPORT

### **Action taken by the Ministry of Corporate Affairs on the Observations/ Recommendations made by the Committee in their 120<sup>th</sup> Report (17<sup>th</sup> Lok Sabha) regarding the delay in laying the Annual Reports and Audited Accounts of the Investor Education and Protection Fund Authority (IEPFA), New Delhi.**

This Report of the Committee deals with the action-taken by the Government on the Observations/ Recommendations made by the Committee on Papers Laid on the Table (2023-24) in their 120<sup>th</sup> Report (17<sup>th</sup> Lok Sabha) which dealt with the matter of the delay in laying the Annual Reports and Audited Accounts of the Investor Education and Protection Fund Authority for the years 2016-17 to 2019-20, under the administrative control of the Ministry of Corporate Affairs which was presented to the Lok Sabha on 03 April, 2023.

2. The Committee had made three Observations/Recommendations in their 120<sup>th</sup> Report (17<sup>th</sup> Lok Sabha). The Ministry of Corporate Affairs vide their OM No. 02/1/2021-IEPF dated 19<sup>th</sup> June, 2023 has furnished the action-taken replies in respect of all the three Observations/Recommendations made in the above-mentioned Report
3. The recommendations of the Committee and the action taken by the Government on the observations/ recommendations made by the Committee in their original Report are given in the following paragraphs.

### **Recommendation No. 21**

4. The Committee in their original Report had recommended as under:

“The Committee note that the Ministry of Corporate Affairs and the Investor Education and Protection Fund Authority (IEPFA), New Delhi have not adhered to the provisions of Rule 237(iii) of the General Financial Rules of the Government of India, 2017 and fail to lay the Annual Report and Audited Accounts of the IEPFA, New Delhi on the Table of the House within stipulated time period i.e. nine months of the closure of the accounting year. The Committee note that the documents of the IEPFA, New Delhi for the years from 2016-2017 to 2018-2019 were laid on 08.02.2021 with delays of more than 37 months to 11 months; for the year 2019-2020 were laid on 06.12.2021 with delays of 11 months 06 days.”

5. The Ministry in its Action Taken Reply has stated as under:-

“(i) Investor Education and Protection Fund Authority (IEPFA) was established on 2nd May 2016 under the provisions of section 125 of the Companies Act, 2013. However, Investor Education and Protection Fund Authority (Form of Annual Statement of Accounts) Rules, 2018 and Investor Education and Protection Fund Authority (Form and Time Preparation of Annual Report) Rules, 2018 were finalized after consultation with C&AG and notified on 11th October, 2018. After notifications of rules, the accounts were due for the financial year 2018-19 only. However, to give factual position, the accounts were also firmed up for previous financial years, i.e. for FY 2016-17, 2017-18 along with 2018-19. Being a budgetary organization, accounts of the IEPFA were maintained by Pay and Account Office (PAO), Ministry of Corporate Affairs (MCA), New Delhi. Finalization of accounts by PAO, MCA in Public Finance Management System and its audit was completed by June of the year following the close of the relevant financial year, after which only the IEPFA was in a position to finalize and prepare its account.

(ii) Chronology of processes involved in Audit of Accounts of IEPFA for the FY 2016-17, 2017-18 and 2018-19: -

S. No.	Items	Date
1.	Letter to C&AG for conduct of Audit and reminder thereon	17.06.2019 and 16.08.2019
2.	Meeting of IEPFA to consider the Annual and draft Annual Report	29.08.2019
3.	Submission of Accounts to C&AG for Audit	13.09.2019
4.	Entrustment of Audit Party for IEPFA by C&AG in reference to IEPFA's letter to Principal Director of Commercial Audit	16.09.2019
5.	Start and Completion of Audit	18.11.2019 to 03.12.2019
6.	Receipt of Audit Report of IEPFA from C&AG	22.06.2020
7.	Meeting of IEPFA for consideration and Adoption of Annual Accounts of the Authority as certified by Comptroller and Auditor General of India along with Audit Report.	29.07.2020
8.	Forwarding of the Accounts with Audit report and Annual report to Ministry	03.09.2020

As the IEPFA was preparing the accounts for three financial years together for the first time, it took some time for the finalization of accounts and draft Annual Report for consideration of Members of the IEPFA. However, all activities completed promptly after receipt of Audit Report. Due to COVID lockdown 2020,

there was some delay in receipt of Audit Report. The Annual Reports and Audited Accounts were forwarded to the Lok Sabha Secretariat on 17th September, 2020 for laying on Table of Lok Sabha and Rajya Sabha on 24th and 25th September 2020 respectively. However, as the Houses were adjourned sine die on 23rd September 2020, the papers were laid on Table of Lok Sabha and Rajya Sabha on 8th Feb and 9th March 2021 respectively during the next session of parliament.

(ii) Chronology of processes involved in Audit of Accounts of IEPFA for the FY 2016-17, 2017-18 and 2018-19: -

S. No.	Items	Date
1.	Meeting of IEPFA to consider the Annual Accounts for the year 2019-20 and draft Annual Report 2019-20	29.07.2020
2.	Submission of Accounts to C&AG for Audit	11.09.2020
3.	Entrustment of Audit Party for IEPFA by C&AG in reference to IEPFA's letter to Principal Director of Commercial Audit	06.10.2020
4.	Start and Completion of Audit	16.10.2020 13.11.2020
5.	Receipt of Audit Report of IEPFA from C&AG	10.05.2021
6.	Clarification sought on Audit Report	14.06.2021
7.	Clarification provided by CAG	23.06.2021
8.	Meeting of IEPFA for consideration and Adoption of Annual Accounts of the Authority for the FY 2019-20 as certified by Comptroller and Auditor General of India along with Audit Report.	24.08.2021
9.	Forwarding of the Accounts with Audit report and Annual report to Ministry	25.08.2021

There was some delay in finalization and submission of accounts to CAG after adoption by Members of the IEPFA due to COVID related disruptions and restrictions. Delay had also happened in receipt of Audit Report due to COVID lockdown 2021. However, all activities were completed promptly after receipt of audit report. Certain clarification and discussions were necessitated on the audit report and form of accounts with CAG especially on method of accounting being followed which led to delay in adoption of Annual Accounts of the IEPFA for the FY 2019-20 as certified by Comptroller and Auditor General of India along with Audit Report by Members of the IEPFA. The Accounts with Audit report and Annual Report was laid in Lok Sabha on 6th December 2021 and Rajya Sabha on 7th Dec 2021."

**6. The Committee observe from the action taken reply submitted by the Ministry that Investor Education and Protection Fund Authority (IEPFA) was established on 2nd May 2016 under the provisions of section 125 of the Companies Act, 2013. Being a budgetary organization, the accounts of the IEPFA were maintained**

by Pay and Account Office (PAO), Ministry of Corporate Affairs (MCA), New Delhi. It has also been informed to the Committee that the finalization of accounts by PAO, MCA in Public Finance Management System and then its audit was completed by June of the year following the close of the relevant financial year, after which only the IEPFA was in a position to finalize and prepare its account.

The Committee note that the procedure which is being followed by the Ministry and IEPFA in respect of compilation of annual accounts as annual accounts of the IEPFA once compiled by the Ministry and audited thereto are again finalized by the IEPFA. The Committee, therefore, desire to know the reason for duplicity of work in respect of finalization of Annual Accounts of the IEPFA and remedial measures taken/proposed to be taken by the Ministry to ensure timely laying of the requisite documents of the IEPFA in future.

#### **Recommendation No. 22**

7. The Committee in their original Report had recommended as under:

“While examining the reasons for delays in laying the documents of the IEPFA, New Delhi, the Committee note that the authority was established in 2016-17 and the Rules regarding the Annual Reports and the Audited Accounts were notified in October, 2018. Therefore, IEPFA prepared the Annual Reports and the Audited Accounts for three financial years together i.e. 2016-17, 2017-18 and 2018-19. The documents were forwarded by the Ministry on 17 September, 2020 for laying the same on the Table on 24 September, 2020. However as the House was adjourned sine die on 23.09.2020, therefore, these papers were laid on the Table of Lok Sabha on 08.02.2021. The Committee also note that the MOCA/IEPFA made all efforts to ensure timely laying of the documents for the year 2020-2021. Therefore, the documents for the year 2020-2021 were laid on the Table of the House within stipulated time. The Committee expect that the requisite documents of IEPFA, New Delhi for succeeding years would be laid within the stipulated time, in future..”

8. The Ministry in its Action Taken Reply has stated as under:-

“Sincere and continuous efforts have been made by the IEPFA, including finalization of Annual Statement Accounts and Annual Report and follow up with CAG for Audit report within prescribed timelines for timely laying of the Annual Reports and the Annual Statement of Accounts on the Table of both the Houses within stipulated time.”



9. The Ministry in its action taken reply has stated that sincere and continuous efforts have been made by the IEPFA to ensure timely laying of its requisite documents. However, the Committee observe that requisite documents of the IEPFA for the year 2021-22 have been laid on 27.3.2023 with delay of about 03 months. The Committee, therefore, reiterate that every effort should be made to plug the systemic loopholes to eliminate avoidable delay and formulate an action plan so as to ensure Parliamentary requirements in the matter for laying documents in the House. The Committee would like to be informed the corrective measures taken by the Ministry in this regard.

### **Recommendation No. 23**

10. The Committee in their original Report had recommended as under:

“The Committee also impress upon the Ministry that if due to some unavoidable reasons, the Annual Reports and Audited Accounts of the IEPFA, New Delhi could not be laid on the Table of the House within the stipulated time, a statement explaining the reasons as to why the requisite documents could not be laid within the prescribed period, should be laid on the Table of the House within 30 days of the expiring of the stipulated period of nine months, if the House is in Session or as soon as the House meets after the expiring of the said period, as the case may be.”

11. The Ministry in its Action Taken Reply has stated as under:-

“The Ministry of Corporate Affairs regularly monitors the progress of preparation and finalization of Annual Report and Accounts along with Audit report by issuing timely reminders to IEPFA for laying on the Table of the House within the stipulated time. To avoid and curtail delay, in future, continuous efforts would be made by IEPFA to ensure timely preparation of accounts and submission to audit authorities, conduct and coordinate Internal Audit by CCA and Statutory Audit by CAG and ensure submission to Ministry, the printed version of Annual Report and Annual Accounts with Audit report for laying on Table of House before the expiring of the stipulated period of nine months.”

12. The Committee would further impress upon the Ministry that if due to extremely unavoidable circumstances; the Annual Reports and Audited Accounts of the IEPFA are not laid on the Table of the House within the stipulated time; the requirement of laying of the ‘Delay Statement’ - within 30 days of the prescribed period - as had been

**recommended by the Committee (Para 3.5, 1st Report of 5th Lok Sabha) - must be strictly adhered to by the Ministry.**

**New Delhi;  
13 December, 2023  
22 Agrahayana, 1945 (Saka)**

**Girish Chandra  
Chairperson  
Committee on Papers Laid on the Table  
Lok Sabha**

**COMMITTEE ON PAPERS LAID ON THE TABLE (2023-24)**

**Extracts of the Minutes of the sitting of the Committee on Papers Laid on the Table (2023-2024)  
held on 13.12.2023.**

The Committee sat on Wednesday, 13<sup>th</sup> December, 2023 from 1445 hours to 1540 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

***Present***

Shri Girish Chandra - ***Chairperson***

***Members***

***(Lok Sabha)***

16. Dr. A. Chellakumar
17. Smt. Aparupa Poddar
18. Shri Devendrappa Y.
19. Shri Ashok Kumar Yadav

***Secretariat***

1. Shri R.K. Suryanarayanan - Joint Secretary
2. Shri Naval K. Verma - Director
2. xx xx xx xx

3. Thereafter, the Committee took up the following two Original and eight Action-taken Reports for consideration and adoption:-

i. to ii. xx xx xx xx

iii. Action taken by the Ministry of Corporate Affairs on the Observations/ Recommendations made by the Committee in their 120<sup>th</sup> Report (17th Lok Sabha) regarding the delay in laying the Annual Reports and Audited Accounts of the Investor Education and Protection Fund Authority (IEPFA), New Delhi;

iv. to xx xx xx

The ten draft Reports were adopted unanimously. The Hon'ble Chairperson was authorized by the Committee to finalize and present these Reports to the Lok Sabha on a date convenient to him.

4 to 6 xx xx xx xx

*(A Copy of the verbatim proceedings of the sitting is kept.)*

The Meeting then adjourned.

