

**COMMITTEE ON PAPERS LAID ON THE TABLE
(2022-23)**

SEVENTEENTH LOK SABHA

115

ONE HUNDRED AND FIFTEENTH REPORT

[Action Taken by the Ministry of Textiles on the Recommendations/ Observations made by the Committee in their Eighty-seventh Report (Seventeenth Lok Sabha) regarding the delay in laying of the Annual Reports and Audited Accounts of the National Handloom Development Corporation Ltd., NOIDA]

(Presented to Lok Sabha on 27 March, 2023)



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI
March, 2023/ Chaitra, 1945 (Saka)**

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COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE
(2022-23)

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 Bharat Ram Margani
9. Shri Jamyang Tsering Namgyal
10. Smt. Aparupa Poddar
11. Shri T.N. Prathapan
12. Shri Sellaperumal Ramalingam
13. Shri Saptagiri Sankar Ulaka
14. Shri Devendrappa Y.
15. Shri Ashok Kumar Yadav

SECRETARIAT

1. Shri Vinay Kumar Mohan - Joint Secretary
2. Shri Naval K. Verma - Director
3. Shri Uttam Chand Bharadwaj - Additional Director

(iii)

INTRODUCTION

I, the Chairperson of the Committee on Papers Laid on the Table (2022-23), having been authorized by the Committee to present the Report on their behalf, present this One Hundred and Fifteenth Report on the action taken by the Government on the recommendations/observations made by the Committee in the Eighty-seventh Report (Seventeenth Lok Sabha) regarding the delay in laying the Annual Reports and Audited Accounts of the National Handloom Development Corporation Ltd., NOIDA.

2. The Eighty-seventh Report (Seventeenth Lok Sabha) was presented to Lok Sabha on 05 August, 2022. The Ministry of Textiles furnished their replies on 03 November, 2022 indicating the action-taken on the observations/ recommendations contained in the Eighty-seventh Report. The Committee considered and adopted this Report at their sitting held on 23 March, 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

23 March, 2023

02 Chaitra, 1945 (Saka)

Girish Chandra

Chairperson

Committee on Papers Laid on the Table

COMMITTEE ON PAPERS LAID ON THE TABLE (2022-2023), LOK SABHA

Report

Action Taken by the Ministry of Textiles on the Recommendations/ Observations made by the Committee in their Eighty-seventh Report (Seventeenth Lok Sabha) regarding the delay in laying of the Annual Reports and Audited Accounts of the National Handloom Development Corporation Ltd., NOIDA.

This Report of the Committee deals with the action-taken by the Ministry of Textiles on the Recommendations/Observations made by the Committee on Papers Laid on the Table (2021-22) in their Eighty-seventh Report (17th Lok Sabha) which dealt with the matter of the delay in laying the Annual Reports and Audited Accounts of the National Handloom Development Corporation Ltd., NOIDA for the years 2018-2019 to 2020-2021 and was presented to the Lok Sabha on 05 August, 2022.

2. The action-taken replies to all the Observations/Recommendations of the said Report have been received from the Ministry of Textiles on 03rd November, 2022. Accordingly, the reply showing the action-taken by the Ministry of Textiles on the Recommendations/Observations contained in the Eighty-seventh Report (17th Lok Sabha) is given in **Appendix-I**.

3. **The Committee in their original Report had desired to know the specific reasons for delays at the stage of compilation of annual accounts of the National Handloom Development Corporation Ltd., NOIDA (NHDC) for the years 2018-19 and 2019-20 and the remedial measures taken by the Ministry to ensure timely compilation of the same. The Ministry, in their action taken replies, has stated that due to a CBI inquiry in the case of irregularities of Yarn Supply Scheme (YSS) guidelines at Branch Office, Lucknow, Covid 19 pandemic and late receipt of comments of C&AG were the reasons for delays. The Committee Note that the nodal Ministry and NHDC have recently started advance action to ensure timely compilation of Annual Accounts but it has been observed that the delay, for the year 2021-22*, has occurred in audit process by C&AG due to flood in North-East. They further stated that efforts would be made**

* Laid on 08.02.2023

by them to submit the final balance sheet before 31.12.2022. The Ministry have also taken the steps to develop a portal showing the updated position regarding finalization of the requisite documents of all the organizations under their administrative control. It has been stated by the Ministry that a calendar for internal monitoring is also being issued as system improvement. However, the Committee observe that the time schedule prepared by the NHDC for finalization and laying of the requisite documents for the year 2022-23 is not appropriate. As per the time schedule, the date of printing of the Annual Report is 20th December and the submission of Annual Report to Parliament is 30th December. However, the date of submission of the requisite documents of the NHDC to the Ministry has not been mentioned in the said time schedule.

In this connection, the Committee are of the considered opinion that before laying the documents in the House, the administrative Ministry have to complete certain formalities viz. preparation of review of performance and activities of the NHDC, authentication of the documents from the Minister and sending these documents to Parliament for laying. If the date of printing the documents by the NHDC is fixed by 20th December, it would be difficult for the Ministry to complete these formalities and place them before Parliament in time during the Winter Session (or before 31st December) which normally concludes by the third week of December every year. The Committee, therefore, do desire that the time schedule may be drawn afresh so as to give sufficient time to the Ministry to complete the various formalities involved therein to facilitate timely laying of the documents and the Committee be apprised of the action taken in this regard.

New Delhi

23 March, 2023
02 Chaitra, 1945 (Saka)

Girish Chandra
Chairperson
Committee on Papers Laid on the Table

Action Taken by the Ministry of Textiles on the Recommendations/ Observations made by the Committee in their Eighty-seventh Report (Seventeenth Lok Sabha) regarding the delay in laying of the Annual Reports and Audited Accounts of the National Handloom Development corporation Ltd., NOIDA.

(Recommendation Serial No. 18)

The Committee notes that the Ministry of Textiles (MoT) has succeeded in timely laying of the Annual Report and Audited Accounts of the National Handloom Development Corporation (NHDC), Noida for the years 2015-2016 to 2017-2018. However, the requisite documents of the NHDC since the year 2018-2019 have been laid with repeated delays. On being enquired by the Committee the reasons for delays in this regard, the MoT informed that due to late receipt of C&AG Audit Report, the AGM of the NHDC could not be held within the extended statutory time limit. However, the Committee is not convinced with the replies furnished by the Ministry as the Committee notes that the NHDC took about 07 months for the year 2018-2019 in submission of their annual accounts to the C&AG as against three months recommended by the Committee for the purpose. Similarly, the annual accounts of the NHDC for the year 2019-2020 were also submitted to the C&AG on 27.11.2020 after taking a time of about 8 months. The Committee, therefore, desires to know the specific reasons for delays at the stage of compilation of annual accounts of the NHDC and the remedial measures taken by the Ministry to ensure timely compilation of annual accounts.

Reply of the Government

1. During the year 2018-19 allegations were received by the O/o DC Handlooms of irregularities in implementation of YSS guidelines at BO Lucknow. On the basis of preliminary enquiry, being found prima facie involved and upon recommendation, CMD NHDC referred the matter to CBI in the month of August 2018 and also suspended the 03 officials. In the month of February and March 2020 three Senior Officials i.e. MD, NHDC, ED (Comm.) and DGM (HR) were also suspended. Therefore, due to Management disturbance functioning of the Corporation affected.
2. Due to COVID 19 pandemic, the Annual Report could not be submitted within the time line.
3. Further late receipt of comments of C&AG (6th January 2020) resulted delay in conducting Annual General Meeting (AGM) of the Corporation for the FY 2018-19 within the extended statutory time line of 31st December 2019 (due date of AGM extended by Registrar of companies (ROC) till 31st December 2019 on the request of NHDC). After the conduction of AGM of FY 2018-19 on 24th January 2020, the annual report was prepared and sent for printing and translation. The Annual Report of 2018-19, was submitted with the Administrative Ministry for laying the Annual Report and Annual Accounts on 8th September, 2020. It may be noted that there was complete lockdown from March, 2020 due to Covid.
4. For the FY 2019-20 the delay was caused due to late receipt of the Statutory Auditors Report (4th Jan, 2021) for FY 2019-20 even after repeated reminders. The undue delay at the part of Statutory

Auditors was subsequently complained to the C&AG. Thereupon the subsequent supplementary audit (w.e.f. 1st Feb, 2021) was conducted by the C&AG. After the Supplementary Audit, C&AG asked the Statutory Auditors to revise their earlier report on the Annual Accounts of the Corporation. Revised Statutory Report was received in May, 2021. After the receipt of the revised Statutory Auditors Report and the C&AG- NIL comments on the Annual Accounts of FY 2019-20, the Annual General Meeting for adoption of Annual Accounts for FY 2019-20 was conducted on 30th June, 2021. After adoption of the Annual Accounts of the Corporation by the shareholders in its AGM held on 30th June, 2021, the Annual Report for FY 2019-20 was printed and submitted with the Administrative Ministry for laying the Annual Report and Annual Accounts on 9th August, 2021.

(Ministry of Textiles, O/o Development Commissioner for Handlooms, O.M No. 40/1(1)/2018-DCH/NHDC, Dated 03rd November 2022)

(Recommendation Serial No. 19)

The Committee further notes from the replies furnished by the MoT that the Annual General Meeting of the NHDC for the years 2018-2019 and 2019-2020, which were to be held by 30th September of the respective accounting year, as per the Companies Act, 2013, were actually held on 24 January, 2020 and 30 June, 2021 respectively. The Committee also notes that the extension of time for holding the AGM since the year 2018-2019 has been obtained from the Registrar of Companies (ROC). The Committee feels that seeking extension of time once in a while is understandable, but seeking the extension of time repeatedly since 2018-2019 could not be justified on any ground. The Committee further notes that after receiving the requisite documents from the NHDC for the year 2018-2019, the Ministry also took near about 5 months in laying of the requisite documents on the Table of the House.

Reply of the Government

NHDC vide letter no. NHDC/sec/2020-21/600 dated 08.09.2020 has sent requisite numbers of printed Annual Report & Audited Accounts for the financial year 2018-19. The Annual Report/Audited Accounts were forwarded to Lok Sabha Secretariat vide O/o DC (Handlooms) letter no. 40/1(1)/2018-DCH/NHDC dated 17.09.2021 which was received by Lok Sabha Secretariat vide their receipt dated 22.09.2021. However, the Monsoon Session 2020, scheduled from 14.09.2020 to 01.10.2020, was adjourned sine die on 23.09.2020 and the Annual Report/Audited Accounts could not be laid. As the Winter Session 2020 was not held, the annual Report/Audited Accounts 2018-19 were laid during the Budget Session, 2021 on 05.02.2021 in Lok Sabha.

(Ministry of Textiles, O/o Development Commissioner for Handlooms, O.M No. 40/1(1)/2018-DCH/NHDC, Dated 03rd November 2022)

(Recommendation Serial No. 20)

The Committee hardly needs to stress that the Annual Report and Audited Accounts of an organization are laid before Parliament as a measure of fulfilling the statutory accountability to the Parliament and to enable scrutiny of these documents by the House at the time of consideration of demands for grants pertaining to the Ministry. The documents laid after the stipulated time lose their utility and relevance and do not serve any purpose except to fulfill the parliamentary requirement of being laid on the Table. The Committee, therefore strongly recommend that such kind of lapses should be avoided and ensure that the requisite documents of the NHDC should be laid within stipulated time in future.

Reply of the Government

For the year 2021-22, NHDC has taken advance action to ensure finalization of accounts in time. However due to flood in North-East, the audit of one of the seven region was held up & the accounts of NHDC was finalized & Board Meeting held on 07/10/2022. The auditor is yet to submit its report on the balance sheet, after which it will be submitted to C&AG. Once approved by C&AG, AGM will be conducted & efforts will be made to submit the final balance sheet before 31/12/2022. However, for future, a calendar for internal monitoring is also being issued, as system improvement. (Copy enclosed)

(Ministry of Textiles, O/o Development Commissioner for Handlooms, O.M No. 40/1(1)/2018-DCH/NHDC, Dated 03rd November 2022)

(Recommendation Serial No. 21)

The Committee, also recommends that the MoT should prepare a 'Portal' wherein the updated position regarding laying of the requisite documents of all the organizations under their administrative control could be made available with them and also suggest that an alert system might be incorporated into the Software/Dash Board' which may warn the Institutions a week before the deadline for the completion of their work at each stage as per the time schedule given so that the requisite documents of all organizations are laid within the stipulated time. The Committee would like to be informed of the action taken by the Ministry in this regard.

Reply of the Government

Project Management Unit of O/o Development Commissioner (Handlooms), Ministry of Textiles portal is under development.

(Ministry of Textiles, O/o Development Commissioner for Handlooms, O.M No. 40/1(1)/2018-DCH/NHDC, Dated 03rd November 2022)

Committee On Papers Laid On The Table (2022-23)

**The Extracts of the Minutes of the sitting of the Committee on Papers Laid on the Table
held on 23 March, 2023**

The Committee sat on Thursday, 23rd March, 2023 from 15:00 hours to 17:10 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

Present

Shri Girish Chandra - ***Chairperson***

***Members
(Lok Sabha)***

1. Shri Pallab Lochan Das
2. Choudhary Mehboob Ali Kaiser
3. Shri Jamyang Tsering Namgyal
4. Shri Ashok Kumar Yadav

Secretariat

1. Shri Vinay Kumar Mohan - Joint Secretary
2. Shri Naval K. Verma - Director
3. Shri Uttam Chand Bharadwaj - Additional Director

2. At the outset, the Chairperson welcomed the Members of the Committee to the sitting and apprised them of the agenda.

xx xx xx xx

4. At first, the Committee took up the following four draft Reports and eight Action taken Reports for consideration and adoption:-

i. to ix xx xx xx

- x. Action Taken by the Ministry of Textiles on the Recommendations/ Observations made by the Committee in their Eighty-seventh Report (Seventeenth Lok Sabha) regarding the delay in laying of the Annual Reports and Audited Accounts of the National Handloom Development Corporation Ltd., NOIDA

xi to xii xx xx xx

The above mentioned four Reports and eight Action Taken Reports were unanimously adopted by the Committee and the Chairperson was authorized by the Committee to finalize and present Reports to the Lok Sabha.

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

The Committee then adjourned.
