

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

SEVENTEENTH LOK SABHA

180

ONE HUNDRED AND EIGHTIETH REPORT

[Action taken by the Ministry of Heavy Industries on the Observations/Recommendations made by the Committee on Papers Laid on the Table in the 143rd Report (17th Lok Sabha) regarding the delay in laying the Annual Reports and Audited Accounts of the Cement Corporation of India Ltd (CCI), New Delhi.]

(Presented to Lok Sabha on 08.02.2024)



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI
February 2024/ Magha 1945 (Saka)**

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COMPOSITION OF THE
COMMITTEE ON PAPERS LAID ON THE TABLE
LOK SABHA
(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 R.K. Suryanarayanan - 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 180th Report on the action taken by the Ministry of Heavy Industries on the Observations/Recommendations made by the Committee in their 143rd Report (17th Lok Sabha) regarding the delay in laying the Annual Reports and Audited Accounts of the Cement Corporation of India Ltd (CCI), New Delhi.

2. The 143rd Report (17th Lok Sabha) was presented to Lok Sabha on 01.08.2023. The Ministry of Heavy Industries has furnished their replies indicating the action taken on the Observations/Recommendations contained in the 143rd Report. The Committee considered and adopted this Report at their sitting held on 07.02.2024.

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
07 February 2024
18 Magha, 1945 (Saka)

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

REPORT

Action taken by the Ministry of Heavy Industries on the Observations/Recommendations made by the Committee on Papers Laid on the Table in the 143rd Report (17th Lok Sabha) regarding the delay in laying the Annual Reports and Audited Accounts of the Cement Corporation of India Limited (CCI), 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 (2022-23) in their 143rd Report (17th Lok Sabha) presented to the Lok Sabha on 01.08.2023, which dealt with the matter of the delay in laying the Annual Reports and Audited Accounts of the Cement Corporation of India Limited (CCI), New Delhi for the years 2012-13 to 2021-22, under the administrative control of the Ministry of Heavy Industries

2. The Committee had made five (05) Observations/Recommendations in their 143rd Report (17th Lok Sabha). The Ministry of Heavy Industries *vide* their O.M. No. 8(1)/2023-PE-XII/CPSE-III dated 24.11.2023 has furnished the Action-taken replies in respect of all the five Observations/Recommendations made in the above-mentioned Report.
3. The recommendations of the Committee; action taken by the Government thereon and further comments of the Committee are given in the following paragraphs.

Recommendation No. 16

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

“The Committee examined the Annual Reports and Audited Accounts of the Cement Corporation of India Ltd (CCI), New Delhi for the last ten years i.e., for 2012-13 to 2021-22, and observed that during these years the requisite documents of the CCI were laid by its nodal Ministry, i.e., Ministry of Heavy Industries with delays except for the years 2013-14 and 2015-16. In rest of the eight instances the documents were laid with delays of 01 month to 11 months. The Committee is of the considered view that both the Ministry and the CCI must ensure that the Annual Reports and Audited Accounts of CCI are laid before the Parliament, in accordance with

the General Financial Rules (GFR); Section 394 of the Companies Act, 2013 and the earlier recommendations of this Committee within the stipulated time. The Committee recommend the Ministry of Heavy Industries to stringently follow the GFR and earlier recommendations of this Committee, in this regard, and also to ensure that the requisite documents of not only the CCI, New Delhi, but all the organizations under its administrative control are laid within the stipulated time every year, without fail.”

The Ministry in its Action taken reply has stated as under:-

“As per General Financial Rules 237 and Section 394 of the Companies Act, 2013 the Annual Accounts of the CPSEs/Autonomous Bodies/ Institutions etc under the Ministry of Heavy Industries (MHI) is to be laid on the Table of the Parliament by 31st December. Accordingly CCI has taken all possible steps to complete the Annual accounts for the FY 2022-23 well within the stipulated time. A Standard Operating Procedure (SOP) has been issued on 09.01.2023 which is being strictly followed. Further, MHI has also notified the SOP vide D.O No 1/2/2020-Parl dated 09.02.2023 to monitor progress of timely laying of accounts for all the organizations under its administrative control.”

Recommendation No.17

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

“The Committee were apprised by the Ministry that one of the reasons for delay was due to delay in finalization of the accounts. The Committee observe that the CCI had taken more than usual time in compilation and submission of accounts for auditing during the years under examination. The Committee takes note of the reply of the Ministry wherein it has been submitted that the accounts of the CCI were computerized and also that an external agency was in place to look after the internal auditing mechanism to ensure timely compilation of annual accounts. The Committee would like to know that despite these steps already in place, why the CCI could not compile and submit the annual accounts to the auditors in time.”

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

“CCI has total 10 units. For each units separate auditors were appointed by CAG to conduct the audit for the referred periods. During FY 2020-21, accounts were delayed due to Covid-19 pandemic in which some of the auditors got affected. Non-completion of audit of the units resulted in delay in compilation of annual accounts of CCI. Annual Accounts of the CCI for FY 2021-22 and 2022-23 have been completed within the stipulated time.”

Recommendation No. 18

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

“The Ministry had submitted delay in holding of AGM and non-availability of full time Directors/ Independent Directors at CCI as other reasons for delay. Whereas vide the same replies, the Ministry has submitted that the CCI had not faced any procedural difficulties associated with convening the meeting of the competent authority for getting approval of the documents. The Committee fail to understand both the stands taken by the Ministry and recommend the Ministry to be more careful in submitting replies to the List of points.”

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

“The Annual Accounts for F.Y. 2020-21 could not be finalized within due dates for want of functional Director, which led to delay in holding the AGM. There was a gap of about three and half months wherein no Director (Finance) was present on the Board (07.03.2021 to 15.06.2021), which was a crucial period in finalizing the accounts. The regular Chairman and Managing Director (CMD) had also superannuated on 30.04.2021.

As per statutory provisions, the Annual Accounts of the company were to be first laid before the Audit Committee for recommendation. However, due to non-availability of independent Directors on the Board, the Audit Committee could not be constituted. Therefore, after appointment of independent directors on the BoD on 02.11.2021, the Audit Committee was reconstituted on 11.11.2021. Subsequently, after regular Director (Finance), CMD and Independent Directors assumed charge, the annual

accounts were finalized in the Board meeting held on 29.11.2021 and submitted to CAG for their reports/comments on 16.12.2021. Accordingly, after receipt of CAG comments on 04.02.2022, the AGM was convened on 25.02.2022. As such, the delay was due to factors beyond the control of CCI/MHI and not because of procedural lapses.”

7. The Committee in their original Report examined that delay in holding of AGM and non-availability of full time Directors/Independent Directors are the main reason for delay in laying the documents. On the perusal of the action taken replies, the Committee came to know that there was non-availability of independent Directors on the Board for three and half months i.e. from 07.03.2022 to 15.06.2021, which was the crucial period in finalizing the accounts for the year 2020-21. The Committee also understand that the Minsitry/CCI also knew that regular Chairman and Managing Director (CMD) tenure was upto 30.04.2021 only, however, necessary steps were not taken by CCI/Ministry on time to fill up the post of Director and CMD. The Committee, therefore, recommend that necessary steps be taken timely by the Ministry/CCI so that such circumstances do not recur in future.

Recommendation Serial No. 19

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

“The Committee was apprised that the CCI had already issued Standard Operating Procedure (SOP) for completion of various tasks involved in finalization of requisite documents for being laid before the Parliament, which will be monitored by Chairman and Managing Director/ Director (Finance) on fortnightly basis. However, the Committee observe that despite the SOP already issued the documents of CCI are still being laid with delay. The Committee, therefore, recommend the Ministry to assign deadline for completion of each of these tasks involved for strict compliance and to also ensure that these timelines are strictly met.”

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

“CCI issued SOP in the Month of January 2023 to monitor various steps involving in finalization of accounts for the FY 2022-23 and onwards. Chairman & Managing Director/Director (Finance) is/are closely monitoring the time schedule given in the SOP. The Annual Accounts for the FY 2022-23 has been prepared and submitted to CAG within the prescribed time period. MHI will lay the annual accounts for FY 2022-23 in parliament within the timeline. To check delay, MHI has also issued D.O No 1/2/2020-Parl dated 09.02.2023 in which responsibility and accountability at different level for timely laying of Annual Report is fixed and the same is being personally monitored by Secretary (MHI).”

Recommendation Serial No. 20

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

“The Committee also impress upon the Ministry to note that in case of delay in laying of the Annual Reports and Audited Accounts of the Corporation due to unavoidable reasons, a statement explaining the reasons as to why the requisite documents could not be laid within prescribed period should be laid on the Table of the House strictly within 30 days as recommended by the Committee in its earlier reports.”

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

“As directed by the Committee, the directions will be strictly adhered to.”

10. The Committee take note of the submission made by the Ministry of Heavy Industries that it has issued instructions to fix responsibility and accountability at different level for timely laying of Annual Reports. The Ministry has also submitted that the CCI has issued SOP to monitor the steps involving finalization of accounts for the Financial year 2022-23 and onwards.

The Committee are pleased to note that as per the assurance given by the Ministry in its action taken reply, the requisite documents of CCI, New Delhi for the year 2022-23 have been laid within stipulated time. The Committee hope that the abovementioned steps taken by the Ministry/CCI will be strictly adhered to and the requisite documents of CCI will be laid within stipulated time in future also.

**New Delhi
07 February 2024
18 Magha, 1945 (Saka)**

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

Appendix

The Extracts of the Minutes of the sitting of the Committee on Papers Laid on the Table (2023-2024) held on 07.02.2024.

The Committee sat on Wednesday, 07th February, 2024 from 1500 hours to 1530 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

Present

Shri Girish Chandra

- *Chairperson*

Members

(Lok Sabha)

2. Shi Pallab Lochan Das
3. Choudhary Mehboob Ali Kaiser
4. Smt. Aparupa Poddar
5. Shri Devendrappa Y.

Secretariat

1. Shri R.K. Suryanarayanan - Joint Secretary
2. Shri Naval K. Verma - Director
3. Shri Rahul Singh - Deputy Secretary

2. At the outset, the Chairperson welcomed the Members of the Committee to the sitting and apprised them of the agenda regarding consideration and adoption of one XXXX, 08 original and 5 Action-taken draft Reports.

3. X X X X X

4. Then, the Committee took up the following eight Original and five Action-taken Reports for consideration and adoption:-

i.	X	X	X	X	X;
ii.	X	X	X	X	X;
iii.	X	X	X	X	X;
iv.	X	X	X	X	X;
v.	X	X	X	X	X;

vi.	X	X	X	X	X;
vii.	X	X	X	X	X;
viii.	X	X	X	X	X;
ix.	X	X	X	X	X;
x.	Action Taken by the Government on the recommendations made by the Committee in their 143 rd Report (17 th Lok Sabha) regarding delay in laying the Annual Reports and Audited Accounts of the Cement Corporation of India, New Delhi; and				
xi.	X	X	X	X	X.
xii.	X	X	X	X	X;
xiii.	X	X	X	X	X.

The 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.

The Meeting then adjourned.
