

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

182

SEVENTEENTH LOK SABHA

182nd REPORT

[Action taken by the Ministry of Commerce & Industry (Department of Commerce) on the Observations/ Recommendations made by the Committee in their 149th Report (17th Lok Sabha) regarding the delay in laying the Annual Reports and Audited Accounts of the Government e-Marketplace (GeM), 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
(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 182nd Report on the action taken by the Ministry of Commerce & Industry (Department of Commerce) on the Observations/ Recommendations made by the Committee in their 149th Report (17th Lok Sabha) regarding delay in laying the Annual Reports and Audited Accounts of the Government e-Marketplace (GeM), New Delhi.

2. The 149th Report (17th Lok Sabha) was presented to Lok Sabha on 10th August, 2023. The Ministry of Commerce & Industry (Department of Commerce) has furnished its replies indicating the action taken on the Observations/ Recommendations contained in the 149th 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
16 Magha, 1945 (Saka)**

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

REPORT

Action taken by the Ministry of Commerce & Industry on the Observations/ Recommendations made by the Committee in their 149th Report (17th Lok Sabha) regarding the delay in laying the Annual Reports and Audited Accounts of the Government e-Marketplace (GeM), 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 149th Report (17th Lok Sabha) which dealt with the matter of the delay in laying the Annual Reports and Audited Accounts of the Government e-Marketplace (GeM) for the years 2017-18 to 2021-22, under the administrative control of the Ministry of Commerce and Industry (Department of Commerce) which was presented to Lok Sabha on 10th August, 2023.

2. The Committee had made 06 Observations/Recommendations in their 149th Report (17th Lok Sabha). The Ministry of Commerce & Industry (Department of Commerce) vide their OM H-11016/3/2022-GeM, Coord. and RP&I dated 06th October, 2023 has furnished the action-taken replies in respect of all the 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. 17

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

“The Committee note that the Government e-Marketplace (GeM) was incorporated and registered under the provisions of the Companies Act, 2013 on May 17, 2017. It has been receiving funds from Government of India since its inception. The Annual Reports and Audited Accounts of the GeM are required to be laid within nine months after the closure of the respective accounting year. However, the requisite documents of the GeM for the years 2017- 18 to 2019-20 were laid with delays of 23 to 47 months and for the years 2020-21 and 2021-22 have yet not been laid. On being enquired by the Committee the reasons for delays in this regard, it was apprised to the Committee that the GeM was in its initial and development stage at that time and had encountered challenges in terms of internal resources. It has also been stated by the Ministry that due to

GeM's inexperience of the procedure for laying down the Annual Reports in the Parliament, it took time for it to send Annual Reports to the Ministry. The representative of the GeM admitted the delays and stated that, in the year 2021, it came to the knowledge of the GeM that the requisite documents were required to be laid on the Table of the House. Accordingly, efforts were made by the GeM and the Ministry to ensure that the Papers were laid. The Committee firmly believes that the delay at this stage has been due to lack of concern on the part of the Ministry as the procedure to be followed by the GeM in respect of laying their requisite documents is very well known to the Ministry. The Committee, therefore, recommends that the Ministry should be more careful and attentive in future so that such lapses do not occur.”

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

“With reference to aforesaid para, Ministry accepts that there was a delay in laying of the Reports for the financial years 2017-18 to 2019-2020 and submits that the Department of Commerce has already laid 4th and 5th Annual Report for Financial Year(s) 2020-21 and 2021-22 respectively vide O.M. dated 17th July 2023 and O.M. dated 29th March 2023. The Ministry will take all efforts to avoid such lapses in future.”

Recommendation No. 18

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

“The Committee note that in the instant case, the Annual Accounts of the GeM are audited by the C&AG at two stages. At first, the Annual Accounts of the GeM are audited by the statutory auditors appointed by the C&AG and then these are sent to the C&AG office for supplementary audit. Time taken by the auditors appointed by the C&AG in auditing of the Annual Accounts of the GeM at the Branch level and then at the C&AG level was observed as one of the reasons for delay. The Committee, therefore, recommend that the GeM should follow the General Financial Rules and should chalk out the audit plan in such a way that the Annual Accounts of the GeM, after being audited by the statutory auditors appointed by the C&AG at first stage, should be compiled within 03 months after the closure of the respective Accounting year so that the C&AG could issue the final Audit Report by 31st October of the respective Accounting year.”

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

“Ministry submits that it shall exercise due care and diligence in adhering to prescribed time limits for completion of its Statutory Audit and Supplementary Audit in accordance with General Financial Rules, 2017 (“GFR”) and provisions of Companies Act, 2013.”

Recommendation No. 19

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

“The Committee has been informed that requisite documents of the GeM are being laid as per section 394 of the Companies Act, 2013 wherein no time limit has been mentioned in respect of laying. The Committee draws attention to the O.M. No. 3(7)/2002-Fin.-GL-XX dated 28th August, 2003 of the Department of Public Enterprises wherein it has been directed that the administrative Ministries, who are responsible for laying reports of central PSEs under their control before Parliament are required to exercise greater vigilance and devise a suitable procedure to ensure that such report and accounts are laid before Parliament within the stipulated period of nine months of the close of the accounting year. The Committee would like to know why directions of the Ministry had not been adhered to for timely laying of the requisite documents of the GeM.”

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

“GeM was in its initial stage of development and operations was encountering challenges in terms of internal manpower resources. Also due to GeM’s inexperience of the procedure for laying down of the Annual Reports in the Parliament, it took time to send Annual Reports to the Parliament. However, the Ministry of Commerce and Industry is determined to abide by the guidelines of laying of Annual Reports and Audited Accounts in the Parliament within prescribed timelines. In addition, it is submitted that all directions related to laying of Annual Reports/ Audited Accounts etc. in both Houses of Parliament in respect of PSU/Autonomous/EPCs had already been circulated and are being circulated to all Divisional Heads time to time to ensure timely laying of Annual Reports/Audited Accounts/working review of organization i.e. within 9 months after the closing of accounting year.”

Recommendation No. 20

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

“The Committee further note from the replies furnished by the Ministry that the process of filing audited statements and annual reports had been streamlined by the GeM. Relevant resources with relevant professional experience had been inducted. The work related to Hindi translation, which is a necessary requirement while filing such reports, is being carried out in house to ensure timely filing of the reports. However, the Committee observe that despite such steps, the annual report and audited accounts of the GeM for the year 2020-21 have not yet been laid. The Committee, therefore, urges that due care should be taken in future to ensure timely laying of Annual Reports and Audited Accounts within the stipulated period of 9 months of the close of the accounting year.”

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

“With reference to the aforesaid para, the Ministry hereby submits that 4th Annual Report for Financial Year 2020-21 has already been sent to the Parliament vide O.M. dated 17th July 2023. Further, Ministry submits that it shall exercise due care and diligence in adhering to prescribed time limits of 9 months for laying of Annual Reports and Audited Accounts in the Parliament.”

Recommendation No. 21

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

“The Committee further recommends that the Ministry may prepare and put in place a 'Portal' wherein updated position on the progress regarding laying of the requisite documents of all the organizations under their administrative control could be ensured by putting an automatic alert system which would alarm the institutions one week before the deadline for completion of their work at each stage as per the given time schedule. The Committee would like to be informed of the action- taken by the Ministry in this regard.”

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

“As recommended by the Committee, Department has requested NIC/IT Cell to develop a portal to monitor timely laying of Annual Report/ Audited Accounts etc of various organizations under the control of Deptt. of Commerce. As soon as portal is activated, we will inform to the Committee Section. However, till portal becomes operational all Division/Sections are being informed on quarterly basis to lay AR /AA of PSU/Autonomous Bodies/EPCs under their control in both houses of Parliament.”

Recommendation No. 22

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

“The Committee also impresses upon the Ministry that if due to unavoidable reasons, the Annual Reports and Audited Accounts of the GeM 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 time period should be laid on the Table of the House within 30 days of the expiry of the prescribed time or as soon as the House convenes, whichever is later.”

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

“Ministry takes a note of the aforesaid recommendation and will endeavor timely compliance of prescribed guidelines. It is also to submit that the Annual Report and Audited Accounts of GeM for the FY 2021-22 has been laid on 26-07-2023 in Lok Sabha with delay statement.”

10. The Committee note that the Ministry of Commerce and Industry (Department of Commerce) has accepted the recommendations made by the Committee and has submitted that in future due care and diligence in adhering to prescribed time limit for completion of its Statutory Audit and Supplementary Audit in accordance with General Financial Rules, 2017 (“GFR”) and provisions of Companies Act, 2017 will be followed. It has also been stated that the Ministry is determined to abide by the guidelines of laying of the Annual Reports and Audited Accounts in the Parliament within prescribed timeline. All directions related to laying of the Annual Reports/ Audited Accounts etc. in both Houses of Parliament in respect of PSU/Autonomous/EPCs had already been circulated and are being circulated to all Divisional Heads time to time to ensure timely laying of Annual Reports/Audited Accounts/working review of organization i.e. within 9 months after the closing of accounting year. The Committee also note that the requisite documents of the GeM for the year 2022-23 have been laid within the stipulated time. While appreciating the efforts made by the Ministry for timely laying of the documents of the GeM, the Committee expect that concerted efforts of the Government shall continue to ensure timely laying of the documents of the aforesaid Institute in future also.

11. The Committee also note that NIC/IT Cell had been requested by the Department of Commerce to develop a portal to monitor timely laying of Annual Reports/Audited Accounts etc. of various organisations under their control. The Committee hope with the remedial measures taken by the Ministry, the requisite documents of the GeM will certainly be laid within the stipulated time.

12. The Committee would, further impress upon the Ministry that if due to extremely unavoidable circumstances; the Annual Reports and Audited Accounts of the GeM are not laid on the Table of the House within the stipulated time, the requirement of laying of the „Dday 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;
07 February, 2024
16 Magha, 1945 (Saka)

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

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

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. Shri 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 Memorandum No.15, 08 original and 5 Action-taken draft Reports.

3. Thereafter, the Committee took up the Draft Memorandum No. 15 regarding Examination of Papers laid on the Table of the House during the 14th Session of 17th Lok Sabha *i.e.*, from 04th December to 21st December, 2023” for consideration.

After deliberations, the Memorandum No. 15 was unanimously adopted by the Committee

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

- | | | | | |
|-------|--|----|----|-----|
| i. | XX | XX | XX | XX |
| ii. | XX | XX | XX | XX |
| iii. | XX | XX | XX | XX |
| iv. | XX | XX | XX | XX |
| v. | XX | XX | XX | XX |
| vi. | XX | XX | XX | XX |
| vii. | XX | XX | XX | XX |
| viii. | XX | XX | XX | XX |
| ix. | XX | XX | XX | XX. |
| x. | XX | XX | XX | XX |
| xi. | XX | XX | XX | XX |
| xii. | Action Taken by the Government on the recommendations made by the Committee in their 149 th Report (17 th Lok Sabha) regarding delay in laying the Annual Reports and Audited Accounts of the Government e-Marketplace (GeM), New Delhi; | | | |
| xiii. | XX | XX | XX | XX |

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.
