

COMMITTEE
ON
PAPERS LAID ON THE TABLE
(1985-86)

(EIGHTH LOK SABHA)

SIXTH REPORT

(Presented on 24 March, 1986)



LOK SABHA SECRETARIAT
NEW DELHI

March, 1986/Chaitra, 1908 (Saka)

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C O R R I G E N D A

SIXTH REPORT OF COMMITTEE ON PAPERS
LAID ON THE TABLE (1985-86)

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
5	1.10	7	"claborated"	"elaborate"
10	3.4	6	"gigven"	"given"

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**PERSONNEL OF THE COMMITTEE ON PAPERS LAID ON THE
TABLE**

(1985-86)

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3. Shri Naresh Chandra Chaturvedi
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SECRETARIAT

Shri M. K. Mathur—*Joint Secretary.*

Shri R. S. Mani—*Senior Legislative Committee Officer*

*Nominated with effect from 3-12-1985 Vice Shrimati Manorma Singh, M.P.
resigned on 8 November, 1985.

INTRODUCTION

I, the Chairman of the Committee on Papers laid on the Table, having been authorised by the Committee to present the Report on their behalf, present this their Sixth Report.

2. On examination of certain papers laid on the Table of Lok Sabha during the Fourteenth and Fifteenth Sessions of Seventh Lok Sabha, the Committee have come to certain conclusions in regard to the delay in laying (i) Annual Reports and Audited Accounts of Bengal Chemicals and Pharmaceuticals Limited for the year 1981-82; (ii) Annual Report of the Coconut Development Board for the year 1981-82 and Audit Reports of the Board for the period 12-1-1981 to 31-3-1981 and for the years 1981-82 and 1982-83; (iii) Annual Report and Audited Accounts of Indian Council of Medical Research, New Delhi for the year 1982-83; (iv) Annual Report and Audited Accounts of Indian Institute of Mass Communication for the year 1982-83 and 1983-84 and (v) Annual Report and Audited Accounts of Bharat Brakes and Valves Limited, Calcutta for the year 1981-82. The conclusions of the Committee are embodied in the Report.

3. On 30 September, 1985, the Committee took evidence of the representatives of the Ministry of Chemicals and Fertilisers on the question of delay in laying Annual Reports and Audited Accounts of Bengal Chemicals and Pharmaceuticals Limited. On 1 October, 1985, the Committee took evidence of the representatives of the Ministry of Industry on the question of delay in laying Annual Report and Audited Accounts of Bharat Brakes and Valves Limited, Calcutta.

4. The Committee wish to express their thanks to the Officers of the Ministry of Chemicals and Fertilisers and the Ministry of Industry for furnishing information desired by the Committee.

5. The Committee considered and adopted this Report at their sitting held on 10 March, 1986.

6. A Statement showing summary of recommendations/observations made by the Committee is appended to the Report (Appendix).

M. V. CHANDRASHEKARA MURTHY,

Chairman,

*Committee on Papers laid on
the Table.*

NEW DELHI;

24 March, 1986

3 Chaitra, 1908 (Saka)

CHAPTER I

DELAY IN LAYING THE ANNUAL REPORT AND AUDITED ACCOUNTS OF THE BENGAL CHEMICALS AND PHARMACEUTICALS LIMITED FOR THE YEAR 1981-82

The Annual Report and Audited Accounts of the Bengal Chemicals and Pharmaceuticals Limited for the year 1981-82 were laid on the Table of Lok Sabha on 6 March, 1984 alongwith a 'Review' on the working of the Company. In terms of the recommendation of the Committee on Papers laid on the Table made in paragraph 4.16 of their Second Report (Fifth Lok Sabha) these papers were required to be laid on the Table within 9 months of the close of the accounting year i.e. by 31 December, 1982. The period of delay in laying these documents on the Table of the House came to 14 months. The Ministry of Chemicals and Fertilisers while presenting the aforesaid documents did not lay any statement explaining the reasons of delay in laying them on the Table of the House. The Ministry had, however, laid a statement earlier on 1 March, 1983 indicating the reasons why it had not been possible to lay on the Table of the House the Annual Report of the Bengal Chemicals and Pharmaceuticals Limited for the year 1981-82 and Government's 'Review' thereon. The statement explained the reasons for delay as under:

"The Annual Report of Bengal Chemicals and Pharmaceuticals Ltd. (BCPL) for the year 1981-82 was to be laid on the Table of both the Houses of Parliament before 31st December, 1982. The Undertakings of Bengal Chemicals and Pharmaceutical Works Limited, a sick unit were nationalised in December, 1980 and a new Government Company, BCPL was formed in which the nationalised undertakings were vested. 1981-82 was the first year of operation of the new Company. The Audit of the accounts of the company, for the year 1981-82 have not been completed. This is due to the fact that the accounts of all the out station units have not been received duly certified by the respective auditors for consolidation and certification in the main accounts at the Head Office. All possible efforts are being made by the Company to place the audited accounts for the year 1981-82 before the Board as early as possible."

1.2 The Ministry of Chemicals and Fertilisers had also laid a statement on 6 March, 1984 indicating the reasons why it had not been possible to lay on the Table of the House Annual Reports of the Bengal Chemicals and Pharmaceuticals Limited for the year 1982-83 and Government's Review thereon. In the statement, the reasons for delay were explained as under:—

“Annual Report of the Bengal Chemicals and Pharmaceuticals Limited for the year 1982-83 was to be laid on the Table of the House before 31 December, 1983. However, owing to delay in appointing Statutory Auditors by the Company Law Board for the year 1982-83, the accounts of the Company for the year could not be completed/audited. The Company Law Board had appointed Statutory Auditors only in November, 1983, except in respect of Gauhati Depot of the Company. Audited Accounts of the Company for the year 1982-83 are expected to be available by the end of March, 1984.

In view of the above, it has not been possible to adhere to the stipulation of laying the annual report and audited accounts of the Company for the year 1982-83 within nine months of the close of the financial year. The Annual Report/Audited Accounts for the year 1982-83 as well as the Government's 'Review' of the working of the Company during the year will be laid on the Table of the House at the earliest possible date.”

1.3 The Ministry of Chemicals and Fertiliser laid on the Table of the House on 19 March, 1985 another statement indicating the reasons why it had been not possible to lay on the Table of the House Annual Reports of the Bengal Chemicals and Pharmaceuticals Limited for the year 1982-83 and 1983-84 and Government's Review thereon. The reasons for delay were explained as under:—

“Annual Report of the Bengal Chemicals and Pharmaceuticals Limited for the year 1982-83 was required to be laid on the Table of the House before 31st December, 1983. As it was not possible to do so, a statement indicating the reasons why it has not been possible to lay the report on the Table of the House, was laid on the Table of the Lok/Rajya Sabha on 5th and 6th March, 1984.

The Statutory Auditors have since audited the accounts of this undertaking for the year 1982-83 but the comments of the

Comptroller and Auditor General of India thereon are still awaited. As soon as the comments of the Comptroller and Auditor General of India are received, the Annual Report will be placed before the Annual General Meeting of the share holders and thereafter laid on the Table of the House as soon as possible.

The Annual Report and Annual Accounts of the Company for the year 1983-84 are now being finalised and these will also be laid on the Table of the House as soon as possible."

1.4. In a written communication made in June, 1984, the Ministry of Chemicals and Fertilisers stated that the Report and Accounts relating to 1981-82 were finalised on 26 March, 1983; these were submitted to Audit on 14 April, 1983; Inspection Reports were issued on 20 May and 26 June, 1983; points raised in the Inspection Reports were replied to on 20 August, 1983 and the Audit Report was received from the Office of Audit Board on 7 December, 1983. The Annual Report and Audited Accounts were translated and printed on 4 January, 1984 and 24 February, 1984 respectively and their English and Hindi Versions were sent to the Ministry on 25 February and 3 March, 1984 for laying on the Table of the House.

1.5. The Ministry also informed that the Annual Report of the Company for the year 1981-82 was laid on the Table of the House for the first time on 6 March, 1984 as the company became a public sector unit only in March, 1981.

1.6. At their sitting held on 26 August, 1985, the Committee on Papers laid on the Table considered the above matter in detail and decided to hear the oral evidence of the representatives of the Ministry of Chemicals and Fertilisers.

1.7. At their sitting held on 30 September, 1985, the Committee hear oral evidence of the representatives of the Ministry of Chemicals and Fertilisers, in the matters.

1.8. Asked to explain the circumstances which led the Ministry to lay the Annual Reports and Audited Accounts of the Bengal Chemicals and Pharmaceuticals Limited for the year 1981-82 after a delay of 14 months, the Joint Secretary, Ministry of Chemicals and Fertilisers informed the Committee that Bengal Chemicals which was reputed company had unfortunately for various reasons become sick after the year 1950 and hence subsequently taken over by Government

and nationalised on 15 December, 1980. The new Company was incorporated on 27 March, 1981. Hence for the year 1980-81, due to disruption on accounts of bifurcation of accounts and the drastic changes in the assets and liabilities which were to be discharged in accordance with the provisions of the nationalisation Act, the compilation of accounts were delayed. Subsequent years could not also show better results, in view of the level of workmen and staff being very high in the Company in proportion to turnover and the fact that the Company had 4 plants at Calcutta, Bombay and Kanpur with 9 sales depot and the difficulties encountered in consolidating the accounts from the different branches and plants. The auditing of accounts was also delayed due to the late appointment of Auditors who were not easily available with the remuneration admissible to them. The new Company had to prepare the accounts of the past years after taking into account the assets and liabilities.

1.9. The representative of the Ministry further informed that the whole matter had since been critically analysed, accelerating the completion of accounts for the year 1983-84 and 1984-85 which was likely to be completed soon. The question of delay was also being constantly taken up by the Ministry with the Board through the Government Directors and through correspondence. A Rehabilitation Plan had since been drawn up to improve the working of the organisation. The reports for the years 1982-83 and 1983-84 which were in their final stages, were likely to be laid on the Table of the House during the Winter Budget Session in 1985 and 1986 respectively.

1.10. The Committee note that there had been a delay of 14 months in laying the Annual Report and Audited Accounts of the Bengal Chemicals and Pharmaceuticals for the year 1981-82 on the Table of the House. The Committee also note that these documents of the Company had been laid on the Table of the House for the first time after its formation as a public sector unit. The Committee further note that the delay had occurred mainly at the stages of compilation of accounts, their submission to Audit and their auditing by Auditors. The Committee find that the Annual Report and Audited Accounts of the Organisation for the years 1982-83 and 1983-84 had also not been laid on the Table of the House within the stipulated period of 9 months after the close of the accounting years. The Ministry of Chemicals and Fertilisers had laid a delay statement on the Table of the House on 6 March 1984 but had not indicated therein the reasons for the delay in the laying of the Annual Report and Audited Accounts for the year 1981-82 (which were being laid on the Table on the same day.) They should have indicated precise

reasons as to why it was not possible to lay the documents relating to 1981-82 earlier. They had referred in that statement only to the delay in the laying of the documents for the year 1982-83 but had not indicated specific reasons for delay and the probable date by which those documents for 1982-83 would be laid on the Table. In the delay statement laid on the Table on 19 May, 1985 also, the Ministry had not elaborated the reasons for delay in laying the documents for 1982-83 (which should have been laid by December, 1983 but which still has not been laid) as also those for 1983-84 which had also become due for being laid by December, 1984 nor had they indicated again the probable date by which the documents for the years 1982-83 and 1983-84 would be laid on the Table.

1.11. The Committee are not satisfied with the reasons advanced by the representatives of the Ministry for laying the Report of 1981-82 on the Table as late as 6 March, 1984. The Committee find that no concrete steps were taken by the Ministry to expedite submission of the accounts. It appears to the Committee that no concerted efforts had also been made by the Ministry from the very beginning to monitor and expedite the whole process. To avoid recurrence of such delays in future the Committee recommend that the Ministry may draw up a time-bound programme for the different stages of processing the Report and accounts of the Company namely compilation of accounts, auditing of accounts, translation and printing of the Annual Reports and Audited Accounts and also to ensure that these stages were sincerely adhered to so that those documents could be laid on the Table of the House within the stipulated period of nine months from the close of the accounting year.

The Committee would also urge upon the Ministry of Industry (Department of Chemicals and Petrochemicals) to exercise more caution in future in the matter of preparing statements regarding reasons for delay for laying on the Table of the Houses of Parliament.

CHAPTER II

Delay in laying the Annual Report of the Coconut Development Board for the year 1981-82 and Audit Reports of the Board for the period 12-1-1981 to 31-3-1981 and for the years 1981-82 and 1982-83, on the Table of Lok Sabha.

The Annual Report of Coconut Development Board for the year 1981-82 and Audit Reports of the Board for the period from 12 January to 31 March, 1981 and for the years 1981-82 and 1982-83 were laid on the Table of Lok Sabha on 8 May, 1984, for the first time, along with a copy of 'Review' and Statement explaining the reasons for delay.

2.2. In terms of recommendation of the Committee on Papers laid on the Table, made in paragraph 3.5 of their First Report (Fifth Lok Sabha), these documents for the period 12 January, 1981 to 31 March, 1981 and for the years 1981-82 and 1982-83 were required to be laid on the Table within 9 months of the close of the Accounting Year, i.e., by 31 December, 1981, 31 December, 1982 and 31 December, 1983 respectively. Hence, the period of delay involved in laying these documents came to 28 Months, 16 months and 4 months, respectively.

2.3. In the statement laid on the Table on 8 May, 1984, the reasons for delay in laying the Annual Report and Accounts have been explained as under:

"The Coconut Development Board was set up on 12-1-1981 under the Coconut Development Board Act, 1979. However, separate accounting procedure was finalised and given effect from 1-10-1982. Till that date accounts were maintained by the Pay & Accounts Officer, Ministry of Agriculture, Cochin, on behalf of the Coconut Development Board. The accounts for the period 12-1-81 to 31-3-1983, i.e., for the financial years 1980-81, 1981-82 and 1982-83 were reconciled/compiled as detailed below.

The question of timely auditing of the accounts of the Coconut Development Board was followed up with the Comptroller and Auditor General of India.

Statement of reasons for delay in laying the Accounts and Audit Reports in chronological order

1. Date on which the accounts were compiled by the Board (a) April, 81 for the period 12-1-81 to 31-3-81
(b) April, 82 for 1981-82
(c) June, 83 for 1982-83
2. Date on which the accounts were handed over to the Accountant General 1-7-1983
3. Date on which the accounts were audited by the Accountant General 1-7-1983
4. Date on which the accounts were approved by the Board 15-9-1983
5. Receipt of draft audit report 24-10-1983
6. Receipt of final audit report 21-11-1983
(Certain modifications in the final audit report were communicated by A.G. on 25-2-84)
7. Receipt of Hindi version of main audit report 13-1-1984
8. Receipt of Hindi version of statement of the accounts 22-3-1984"

2.4 In this connection the Ministry of Agriculture and Rural Development informed the Committee that the Coconut Development Board was set up on 12-1-81 and 1981-82 was actually the first year of the working of the Board and a number of measures in regard to organisation of the Coconut Development Board and its establishment were taken up during 1982-83 including transfer of staff from the Directorate of Coconut Development which were to form nucleus staff of the Board. Till September, 1982, the expenditure on the Board was incurred through the Directorate of Coconut Development, a subordinate office of the Department of Agriculture and Cooperation, which was providing all assistance to the Coconut Development Board. The proforma accounts from 12-1-81 to 30-9-82 on account of the expenditure incurred on behalf of the Board were also maintained by the Directorate/Pay & Accounts office, Department of Agriculture and Cooperation, Cochin. After the constitution of the Coconut Development Fund, separate accounts were maintained by the Board from October, 1982 and the accounting procedure therefor finalised in consultation with the Comptroller and Auditor General. Hence, the delay that took place in the auditing of accounts for the periods in question was primarily because the Coconut Development Board was in its initial stages and certain essential steps i.e. transfer of staff, creation of funds as provided under the Coconut Development Board Act, 1981 had to be completed. Delay was also stated to be due to the time taken in Hindi

translation on account of non-availability of Hindi Translators which has since been taken care of with the sanction of two posts of Hindi Translators for the Board.

2.5 The Committee considered the matter at their sitting held on 26 August, 1985.

2.6. While the Committee appreciate the difficulties experienced by the Board in the initial stages of their organisation, they feel that the delay in laying their Reports and Accounts for the years 1981-82 and 1982-83 on the Table was quite too much. The annual report for the year 1982-83 had been laid separately as late as on 25 January, 1985.

2.7. The Committee, however, note with satisfaction that the report and audited accounts of the Coconut Development Board for the year 1983-84, which was laid on the Table on 25 January, 1985 did not involve much delay. The Committee hope that this trend will be maintained and the documents for future years will be laid on the Table by the stipulated time.

2.8. The Committee would also like to observe that the procedure followed by the Board in laying the annual reports and audited accounts separately, as was done for the year 1982-83, should be avoided. As recommended by the Committee earlier in para 3.5 of their First Report (Fifth Lok Sabha), normally the annual report and audited accounts of an organisation should be laid before Parliament together so as to depict an overall picture and enable a composite appraisal of functioning of the organisation.

CHAPTER III

DELAY IN LAYING THE ANNUAL REPORT AND AUDITED ACCOUNTS OF INDIAN COUNCIL OF MEDICAL RESEARCH, NEW DELHI FOR THE YEAR 1982-83

The Annual Report and Audited Accounts of Indian Council of Medical Research, New Delhi for the year 1982-83 were laid on the Table of Lok Sabha on 26 July, 1984 along with a copy of 'Review'. A Statement explaining the reasons for delay had been laid on the Table earlier on 12 April, 1984.

3.2. In terms of recommendation of the Committee on Papers laid on the Table made in paragraph 4.16 of their Second Report (Fifth Lok Sabha) these papers were required to be laid on the Table within 9 months of the close of the accounting year, i.e., by 31 December, 1982. The period of delay involved in laying the Annual Report and Audited Accounts for 1982-83 came to about 7 months.

3.3. In the statement laid on the Table on 12 April, 1984 the reasons for delay in laying the Annual Report and Audited Accounts for 1982-83 have been explained as under:

"The Council could not submit the audited accounts, audit reports thereon and the annual report for the year 1982-83 in time, owing to the following reasons:—

- (i) *Audited accounts and audit reports:* The annual accounts of the Indian Council of Medical Research were compiled and completed on the 14th October, 1983. This could not be done earlier as the Council has 18 permanent institutes/centres scattered throughout India and the consolidation of the accounts is to be done at the Headquarters. The accounts were sent to the Director of Audit, Central Revenues, on the 14th October, 1983. The Director of Audit conducted the audit of the accounts of the Council from the 1st October, 1983 to 13th December, 1983. The draft audit report was received in the Council from the Director of Audit on the 18th January, 1984. The recommendations/ comments of the Council were sent to the Director of Audit on the 2nd February, 1984. The final audit report was received by the Council from the Director of Audit on the 23rd February, 1984.

- (ii) *Annual Report for the year 1982-83*: The Indian Council of Medical Research had prepared the annual report earlier for the calendar year 1982. Since the annual report for the financial year 1982-83 is to be laid before both the Houses of Parliament, the Council was advised to prepare the report for the financial year. The Council is taking necessary action for doing the needful. Since the annual report of the Council is quite voluminous and highly technical in nature, it will require some more time for its translation into Hindi after the English version is finalised.

As soon as the required number of Hindi and English versions of the annual report of the Council is received in this Ministry, the same along with the audited accounts of the Council for the year 1982-83, will be laid on the Table of Lok Sabha."

3.4. In the delay statement laid before Parliament, it has been stated that the delay in compilation of accounts was due to the fact that the Council had 18 permanent Institutes|Centres scattered throughout India and consolidation of their accounts was to be done at the Headquarters. The Annual accounts of Indian Council of Medical Research were finalised and given to the Director of Audit for auditing on 14 October, 1983 and the final audit report received from him on 23 February, 1984. Further the annual report of the Council prepared for the calendar year 1982 had to be prepared again for the financial year 1982-33 for being laid before Parliament under advice from the Ministry of Health and Family Welfare.

3.5. Explaining the matter further, the Ministry of Health and Family Welfare intimated as under:

- (i) A period of 4 months was taken at each stage in translation of the reports and accounts in Hindi and the stenciling/printing thereof.
- (ii) Printed copies of the annual reports and accounts (English and Hindi versions) were received in the Ministry in March-April, 1984 and laid on the Table on 25th July, 1984.
- (iii) Annual Report and Audited Accounts for the years 1978-79 to 1981-82 were laid on the Table on 10 May, 1983.
- (iv) Annual Report and Audited Accounts of the Indian Council of Medical Research for the year 1983-84 were laid on the Table of Lok Sabha on 24 January, 1985.

3.6. The Committee on Papers laid on the Table considered the matter at their sitting held on 26 August, 1985.

3.7. The Committee note that the delay in submission of the annual reports and accounts of the Indian Council of Medical Research for the year 1982-83 had been primarily due to the time involved in the consolidation of accounts from their 18 institutes/centres, scattered all over India. Hence there had been a consequent delay from the initial stage of compilation of accounts for being given to audit to the final stage of finally printing the reports and accounts for presentation to Parliament. Further the period of report of the Council has now been changed from the calendar year to the financial year.

3.8. The Committee, however, observe that there has been a persistent delay in the laying of the Annual Reports and Audited Accounts of the Indian Council of Medical Research on the Table of the House. There was a delay of about 40 months in laying these documents for the year 1978-79 and this had come down to 4 months in respect of the report and accounts for the year 1981-82. The delay increased again to 7 months in respect of the said documents for the year 1982-83. It then came down to 23 days for the Report and Accounts for the year 1983-84 which was laid on the Table of the House on 24 January, 1985. In this connection the Committee would like to draw attention to their recommendation made in para 3.5 of their First Report (Fifth Lok Sabha) that normally a period of 3 months should be sufficient for compilation of accounts and their submission to audit; the next 6 months might be given for auditing of accounts; for printing of the report and sending it to Government for presentation to Parliament. The Committee feel that with concerted efforts on the part of the Ministry of Health and Family Welfare and by drawing up of a time schedule for various stages in coordination with the permanent Institutes/Centres of the Indian Council of Medical Research, for finalising the Report and Accounts within 9 months of the close of the financial year and making simultaneous arrangement for their translation and printing, the possibility of delay in laying these documents in Parliament could be totally eliminated in future.

The Committee would also like to recommend that the Ministry should take immediate steps to lay the Annual Reports and Accounts of the Council on the Table of the House as soon as received from the Council without any delay on their part.

CHAPTER IV

DELAY IN LAYING OF ANNUAL REPORT AND AUDITED ACCOUNTS OF INDIAN INSTITUTE OF MASS COMMUNICATION FOR THE YEARS 1982-83 AND 1983-84.

The Annual Report and Audited Accounts of Indian Institute of Mass Communication for the year 1982-83 were laid on the Table of Lok Sabha on 31 July, 1984, alongwith a copy of 'Review' and a statement explaining the reasons for delay.

4.2 In terms of recommendation of the Committee on Papers laid on the Table made in paragraph 4.16 of their Second Report (Fifth Lok Sabha) these papers were required to be laid on the Table within 9 months of the close of the accounting year, i.e. by 31 December, 1983. Thus, the period of delay involved in the current case comes to 7 months.

4.3 In the statement laid on the Table on 31 July, 1984, the reasons for delay in laying Annual Report and Audited Accounts for the year 1982-83 have been explained as under:

"In accordance with the Rules and Regulations of the Society the approval of the Annual Reports and Accounts of the Institute by its Society and Executive Council is obligatory.

The Annual Report and Accounts of the Indian Institute of Mass Communication for the year 1982-83 have been brought out as per time schedule given below in chronological order:—

- (1) Date of finalisation of statement of Audited Accounts 6-11-1983
- (2) Date of submission to audit 14-11-1983
- (3) Date of receipt of draft audit report The audit queries were settled during the course of audit itself.
- (4) Date of replies given on audit paras
- (5) Date of receipt of final audit report 24-11-1983
- (6) Date of finalisation of text of the Annual Report 16-12-1983
- (7) Date of consideration of Annual Report and the statement of audited accounts by the Executive Council 23-12-83

- | | |
|---|---------|
| (8) Date of consideration of the above reports by the General Body | 7-2-84 |
| (9) Date of translation into Hindi of the above reports | 14-2-84 |
| (10) Date of printing of the above reports | 25-4-84 |
| (11) Date of submission of the reports to the Ministry for laying in the Table of the House | 30-4-84 |

In view of the above facts the Institute took time to get the documents finalised/printed with some delay which was inescapable.”

4.4 Further explaining the causes of delay, the Ministry of Information and Broadcasting has stated as under:—

- (i) Because of preoccupation, the Auditors of the Institute started auditing only in the month of June, 1983 and completed the same in November, 1983 only.
- (ii) The statutory requirement of getting the report for 1982-83 adopted at the annual meeting of Indian Institute of Mass Communication was held up till 7 February, 1984 due to the preoccupation of the Chairman of the Institute with other matters of national importance.

4.5 The Committee on Papers laid on the Table considered the matter at their sitting held on 26 August, 1985.

4.6 The Committee note that the Accounts of the Indian Institute of Mass Communication was finalised and submitted to the Audit on 14 November, 1983, i.e. after $7\frac{1}{2}$ months of the close of the financial year. The Annual Report was finalised on 16 December, 1983. Both the Annual Report and Accounts of the Institute were adopted by the General Body on 7 February, 1984. The Report and the Accounts were submitted to the Ministry on 30 April, 1984. Whereas the Budget Session of Lok Sabha continued upto 9 May, 1984, the Annual Report and Accounts were laid on the Table of Lok Sabha only during the next Session on 31 July, 1984. The Committee also find that the Annual Report and Audited Accounts for the year 1983-84 were also laid on the Table on the House on 12 August, 1985 with a delay of 7 months.

4.7 The Committee regret to observe that there has been a persistent delay in laying the Annual Reports and Accounts of the Indian Institute of Mass Communication. For the year 1982-83 compilation of Accounts had been taken up in the month of June, and finalised accounts were submitted to Audit in November, 1983 whereas in this connection the Committee in para 3.5 of their First Report (Fifth Lok Sabha) had recommended that normally a period of

three months from the close of the accounting year should be sufficient for compilation of accounts and their submission to audit. The Institute has taken unduly long time in getting approval of the Annual Report and Audited Accounts from the Executive Council and the General Body. Translation and printing of Report containing the accounts has also taken more than 2½ months. Preoccupation of the auditors of the Institute and the Chairman causing delay in the completion of audit and adoption of the report does not appear to be valid arguments for the delay in presenting these documents before Parliament. The Committee find that the meetings of the Society of the Indian Institute of Mass Communication before whom the reports and accounts are to be placed for adoption is generally held towards the end of the calendar year resulting in subsequent delays in their translation, printing etc. The Committee would like the Ministry and Institute to examine whether a meeting of the Society could be held sometime in the end of October or early November for this purpose so as to facilitate printing of Reports etc. and presentation to Parliament before end of Monsoon Session.

The Committee also recommend that a time-bound programme should be drawn up by the Ministry in consultation with the Indian Institute of Mass Communication for being strictly followed for various stages of finalisation of accounts, auditing of accounts, finalisation of Annual Report, adoption of Report and Accounts by the Society and translating and printing of the documents for presentation to Parliament within the stipulated period of 9 months of close of the accounting year. The Committee hope that drawing of such a programme and strict adherence to it by all concerned will go on long way in timely presentation of Annual Report and Audited Accounts of the Institute to the Parliament.

CHAPTER V

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF BHARAT BRAKES AND VALVES LIMITED, CALCUTTA FOR THE YEAR 1981-82.

The Annual Report and Audited Accounts of the Bharat Brakes and Valves Limited, Calcutta for the year 1981-82 together with a statement showing the reasons for delay in laying the documents and a 'Review' were laid on the Table of Lok Sabha on 2 August, 1984.

5.2 In terms of the recommendation of the Committee on Papers laid on the Table made in paragraph 4.16 of their Second Report (Fifth Lok Sabha), these papers were required to be laid on the Table by 31 December, 1982, i.e., within 9 months of the close of the accounting year. Thus, the delay in laying these documents on the Table worked out to 19 months.

5.3 In the statement laid on the Table on 2 August, 1984, the reasons for delay had been explained as under:—

"M/s. Bharat Brakes & Valves Ltd., Calcutta, a Government Company, was incorporated on 21-7-1978. It had, however, no trading or manufacturing activities till 31-7-1978. From 1-8-1978, the undertaking of M/s. Gresham & Craven of India (P) Limited, nationalised earlier since 1-8-1977, by enactment of the Gresham & Craven of India (P) Limited (Acquisition and Transfer of Undertakings) Act, 1977, were vested in M/s. Bharat Brakes & Valves Limited.

Owing to the delay in the finalisation of accounts right from 1975 by the erstwhile Gresham & Craven of India (P) Limited, the finalisation of accounts of the newly formed Government Company for the periods 1-8-1978 to 31-3-1979; 1-4-1979 to 31-3-1980 and 1-4-1980 to 31-3-1981 got considerably delayed. The annual reports and accounts of the Company for 1978-79; 1979-80 and 1980-81 could, therefore, be placed in Parliament in April, 1982; November, 1982 and April, 1983 respectively. This led to delay in the finalisation of accounts for the subsequent year i.e. 1981-82."

was caused due to the fact that the Bharat Brakes and Valves Limited had to inherit 4 years arrears of incomplete and unaudited accounts from its predecessor company namely. M/s Gresham and Graven of India (P) Limited, Calcutta in July, 1978, and as such the finalisation of accounts for the subsequent years of 1979-80 and 1980-81 was also delayed. The Committee are, however, unable to reconcile themselves to the delay of 16½ months involved in laying before the House, the Annual Report and Audited Accounts for the year 1982-83 on 17 May, 1985. The Committee also note that the Annual Report and Audited Accounts of the organisation for the year 1983-84 which ought to have been laid by December, 1984, have not been laid on the Table of the House so far. The Committee feel that the delay should have not persisted even after a lapse of 4 to 5 years of its incorporation as a Government Company. The Committee cannot help regretting the recurring delay in timely submission of the annual reports and accounts of the Company to Parliament and which they feel displays the complacent attitude, both on the part of the Company and the administrative Ministry to pay more serious attention in the matter. Had the Company been more vigilant to clear the arrears of earlier years, the delay in finalisation of the accounts of the later years to that extent could have been minimised. The Ministry of Industry and Company Affairs being administratively responsible for the financial interests and other affairs of the Company, can also not absolve themselves of the responsibility for delay in laying the reports of the Company.

5.11. The Committee, therefore, recommend that in order to obviate delay in laying the Annual Reports and Audited Accounts before Parliament in future, a time-bound programme should be chalked out by Bharat Brakes and Valves Limited in consultation with the Ministry of Industry and Company Affairs and the audit authorities for processing the various stages of finalising the Annual Reports and Audited Accounts, so that these documents are laid on the Table of the House within the stipulated period of nine months from the close of the relevant accounting years.

M. V. CHANDRASHEKARA MURTHY,
Chairman,
Committee on Papers Laid on the Table.

NEW DELHI;
 24 March, 1986.
 3 Chaitra, 1908 (Saka).

APPENDIX

Summary of recommendations/observations contained in the Report

S. No.	Reference to para No. of the Report	Summary of recommendations/ observations
1	2	3
1	1.10	<p>The Committee note that there had been a delay of 14 months in laying the Annual Report and Audited Accounts of the Bengal Chemicals and Pharmaceuticals for the year 1981-82 on the Table of the House. The Committee also note that these documents of the Company had been laid on the Table of the House for the first time after its formation as a public sector unit. The Committee further note that the delay had occurred mainly at the stages of compilation of accounts, their submission to Audit, and their auditing by Auditors. The Committee find that the Annual Report and Audited Accounts of the Organisation for the years 1982-83 and 1983-84 had also not been laid on the Table of the House within the stipulated period of 9 months after the close of the accounting years. The Ministry of Chemicals and Fertilisers had laid a delay statement on the Table of the House on 6 March, 1984 but had not indicated therein the reasons for the delay in the laying of the Annual Report and Audited Accounts for the year 1981-82 (which were being laid on the Table on the same day). They should have indicated precise reasons as to why it was not possible to lay the documents relating to 1981-82 earlier. They had referred in that statement only to the delay in the laying of the documents for the year 1982-83 but had not indicated specific reasons for delay and the probable date by which those documents for</p>

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1982-83 would be laid on the Table. In the delay statement laid on the Table on 19 May, 1985 also, the Ministry had not elaborated the reasons for delay in laying the documents for 1982-83 (which should have been laid by December, 1983 but which still has not been laid) as also those for 1983-84 which had also become due for being laid by December, 1984 nor had they indicated again the probable date by which the documents for the years 1982-83 and 1983-84 would be laid on the Table.

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1.11

The Committee are not satisfied with the reasons advanced by the representatives of the Ministry for laying the Report of 1981-82 on the Table as late as 6 March, 1984. The Committee find that no concrete steps were taken by the Ministry to expedite submission of the accounts. It appears to the Committee that no concerted efforts had also been made by the Ministry from the very beginning to monitor and expedite the whole process. To avoid recurrence of such delays in future the Committee recommend that the Ministry may draw up a time-bound programme for the different stages of processing the Report and accounts of the Company namely compilation of accounts, auditing of accounts, translation and printing of the Annual Reports and Audited Accounts and also to ensure that these stages were sincerely adhered to so that these documents could be laid on the Table of the House within the stipulated period of nine months from the close of the accounting year.

The Committee would also urge upon the Ministry of Industry (Department of Chemicals and Petrochemicals) to exercise more caution in future in the matter of preparing statements regarding reasons for delay for laying on the Table of the Houses of Parliament.

1	2	3
3	2.6	While the Committee appreciate the difficulties experienced by the Board in the initial stages of their organisation, they feel that the delay in laying their Reports and Accounts for the years 1981-82 and 1982-83 on the Table was quite too much. The annual report for the year 1982-83 had been laid separately as late as on 25 January, 1985.
4	2.7	The Committee, however, note with satisfaction that the report and audited accounts of the Coconut Development Board for the year 1983-84, which was laid on the Table on 25 January, 1985 did not involve much delay. The Committee hope that this trend will be maintained and the documents for future years will be laid on the Table by the stipulated time.
5	2.8	The Committee would also like to observe that the procedure followed by the Board in laying the annual reports and audited accounts separately, as was done for the year 1982-83, should be avoided. As recommended by the Committee earlier in para 3.5 of their First Report (Fifth Lok Sabha), normally the annual report and audited accounts of an organisation should be laid before Parliament together so as to depict an overall picture and enable a composite appraisal of functioning of the organisation.
6	3.7	The Committee note that the delay in submission of the annual reports and accounts of the Indian Council of Medical Research for the year 1982-83 had been primarily due to the time involved in the consolidation of accounts from their 18 institutes/centres, scattered all over India. Hence there had been a consequent delay from the initial stage of compilation of accounts for being given to audit to the final stage of finally printing the reports and accounts for presenta-

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tion to Parliament. Further the period of report of the Council has now been changed from the calendar year to the financial year.

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3.8

The Committee, however, observe that there has been a persistent delay in the laying of the Annual Reports and Audited Accounts of the Indian Council of Medical Research on the Table of the House. There was a delay of about 40 months in laying these documents for the year 1978-79 and this had come down to 4 months in respect of the report and accounts for the year 1981-82. The delay increased again to 7 months in respect of the said documents for the year 1982-83. It then came down to 23 days for the Report and Accounts for the year 1983-84 which was laid on the Table of the House on 24 January, 1985. In this connection the Committee would like to draw attention to their recommendation made in para 3.5 of their First Report (Fifth Lok Sabha) that normally a period of 3 months should be sufficient for compilation of accounts and their submission to audit; the next 6 months might be given for auditing of accounts; for printing of the report and sending it to Government for presentation to Parliament. The Committee feel that with concerted efforts on the part of the Ministry of Health and Family Welfare and by drawing up of a time schedule for various stages in coordination with the permanent Institutes/Centres of the Indian Council of Medical Research, for finalising the Report and Accounts within 9 months of the close of the financial year and making simultaneous arrangement for their translation and printing, the possibility of delay in laying these documents in Parliament could be totally eliminated in future.

The Committee would also like to recommend that the Ministry should take immediate steps to lay the Annual Reports and Accounts of the

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Council on the Table of the House as soon as received from the Council without any delay on their part.

8 4.6

The Committee note that the Accounts of the Indian Institute of Mass Communication was finalised and submitted to the Audit on 14 November, 1983, i.e. after 7½ months of the close of the financial year. The Annual Report was finalised on 16 December, 1983. Both the Annual Report and Accounts of the Institute were adopted by the General Body on 7 February, 1984. The Report and the Accounts were submitted to the Ministry on 30 April, 1984. Whereas the Budget Session of Lok Sabha continued upto 9 May, 1984, the Annual Report and Accounts were laid on the Table of Lok Sabha only during the next Session on 31 July, 1984. The Committee also find that the Annual Report and Audited Accounts for the year 1983-84 were also laid on the Table of the House on 12 August, 1985 with a delay of 7 months.

9 4.7

The Committee regret to observe that there has been a persistent delay in laying the Annual Reports and Accounts of the Indian Institute of Mass Communication. For the year 1982-83 compilation of Accounts had been taken up in the month of June, and finalised accounts were submitted to Audit in November, 1983, whereas in this connection the Committee in para 3.5 of their First Report (Fifth Lok Sabha) had recommended that normally a period of three months from the close of the accounting year should be sufficient for compilation of accounts and their submission to audit. The Institute has taken unduly long time in getting approval of the Annual Report and Audited Accounts from the Executive Council and the General Body. Translation and printing of Report containing the accounts has also taken more than 2½ months. Preoccupation of the auditors of the Institute and

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the Chairman causing delay in the completion of audit and adoption of the report does not appear to be valid arguments for the delay in presenting these documents before Parliament. The Committee find that the meetings of the Society of the Indian Institute of Mass Communication before whom the reports and accounts are to be placed for adoption is generally held towards the end of the calendar year resulting in subsequent delays in their translation, printing etc. The Committee would like the Ministry and Institute to examine whether a meeting of the Society could be held sometime in the end of October or early November for this purpose so as to facilitate printing of Reports etc. and presentation to Parliament before end of Monsoon Session.

The Committee also recommend that a time-bound programme should be drawn up by the Ministry in consultation with the Indian Institute of Mass Communication for being strictly followed for various stages of finalisation of accounts, auditing of accounts, finalisation of Annual Report, adoption of Report and Accounts by the Society and translating and printing of the documents for presentation to Parliament within the stipulated period of 9 months of close of the accounting year. The Committee hope that drawing of such a programme and strict adherence to it by all concerned will go on long way in timely presentation of Annual Report and Audited Accounts of the Institute to the Parliament.

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5.10

The Committee note that the delay of 19 months in laying the Annual Report and Audited Accounts of Bharat Brakes and Valves Limited, Calcutta for the year 1981-82 on the Table of the House was caused due to the fact that the Bharat Brakes and Valves Limited had to inherit 4 years arrears of incomplete and unaudited accounts from its predecessor company namely M/s. Gresham and Craven of India (P) Limited, Calcutta in July, 1978, and as such the finalisa-

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tion of accounts for the subsequent years of 1979-80 and 1980-81 was also delayed. The Committee are, however, unable to reconcile themselves to the delay of 16½ months involved in laying before the House, the Annual Report and Audited Accounts for the year 1982-83 on 17 May, 1985. The Committee also note that the Annual Report and Audited Accounts of the organisation for the year 1983-84 which ought to have been laid by December, 1984, have not been laid on the Table of the House so far. The Committee feel that the delay should have not persisted even after a lapse of 4 to 5 years of its incorporation as a Government Company. The Committee cannot help regretting the recurring delay in timely submission of the annual reports and accounts of the Company to Parliament and which they feel displays the complacent attitude, both on the part of the Company and the administrative Ministry to pay more serious attention in the matter. Had the Company been more vigilant to clear the arrears of earlier years, the delay in finalisation of the accounts of the later years to that extent could have been minimised. The Ministry of Industry and Company Affairs being administratively responsible for the financial interests and other affairs of the Company, can also not absolve themselves of the responsibility for delay in laying the reports of the Company.

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5.11

The Committee, therefore, recommend that in order to obviate delay in laying the Annual Reports and Audited Accounts before Parliament in future, a time-bound programme should be chalked out by Bharat Brakes and Valves Limited in consultation with the Ministry of Industry and Company Affairs and the audit authorities for processing the various stages of finalising the Annual Reports and Audited Accounts, so that these documents are laid on the Table of the House within the stipulated period of nine months from the close of the relevant accounting years.