

**COMMITTEE  
ON  
PAPERS LAID ON THE TABLE  
(1987-88)**

**(EIGHTH LOK SABHA)**

**SEVENTEENTH REPORT**

*(Presented on 1 December, 1987)*



**LOK SABHA SECRETARIAT  
NEW DELHI**

550 *1 December, 1987/10 Agrahayana, 1909 (Saka)*

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**PERSONNEL OF THE COMMITTEE ON PAPERS LAID ON THE  
TABLE (1987-88)**

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Shri G.S. Bhasin—*Chief Legislative Committee Officer.*

Shri O.P. Chopra—*Senior Legislative Committee Officer.*

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\*Nominated with effect from 9.11.1987 *vice* Dr. K.G. Adiyodi expired on 22.10.1987.

## INTRODUCTION

1. the Chairperson of the Committee on Papers Laid on the Table, having been authorised by the Committee to present this Report on their behalf, present this their Seventeenth Report.

2. On examination of certain papers laid on the Table of Lok Sabha during the Sixth, Seventh and Eighth Sessions (Eighth Lok Sabha) the Committee have come to certain conclusions in regard to delay in laying the Annual Reports and Audited Accounts of (i) Indian Institute of Management, Bangalore for the year 1984-85 ; (ii) Sambhar Salts Limited and Hindustan Salts Limited, Jaipur for the year 1984-85 ; (iii) Jammu and Kashmir Horticultural Produce Marketing and Processing Corporation for the year 1980-81 ; and (iv) Central Council for Research in Yoga and Naturopathy, New Delhi for the year 1984-85 and have made certain recommendations. The conclusions of the Committee are reflected in the report.

3. On 9 September, 1987, the Committee took evidence of the representatives of the Ministry of Health and Family Welfare on the question of delay in laying Annual Report and Audited Accounts of the Central Council for Research in Yoga and Naturopathy, New Delhi for the year 1984-85. The Committee wish to express their thanks to the Officers of the Ministry for placing before the Committee, material and information which they desired in connection with the examination of the subject and for giving evidence before the Committee.

4. The Committee considered and adopted this Report at their sitting held on 26 November, 1987.

5. A statement containing recommendations/observations of the Committee is appended to the Report (Appendix).

NEW DELHI ;  
1 December, 1987  
10 Agrahayana, 1909 (Saka)

NIRMALA KUMARI SHAKTAWAT,  
Chairperson.  
Committee on Papers Laid on the Table.

## CHAPTER I

### DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF INDIAN INSTITUTE OF MANAGEMENT, BANGALORE FOR 1984-85

The Annual Report and Audited Accounts of Indian Institute of Management, Bangalore for the year 1984-85 were laid on the Table of Lok Sabha on 31 July, 1986 with the Delay Statement and 'Review'.

1.2. In terms of the recommendation of the Committee on Papers laid on the Table made in paragraph 3.5 of their First Report (Fifth Lok Sabha), these documents were required to be laid on the Table of Lok Sabha by 31 December, 1985, *i.e.*, within 9 months of the close of the accounting year. Thus, the period of delay involved in the above case came to seven months.

1.3. In the delay statement, the reasons for delay in laying the Annual Report and Audited Accounts had been explained as under :

"The Annual Report along with Audit Report and audited statement of Accounts, both in English and Hindi versions, for the year 1984-85 in respect of the Indian Institute of Management, Bangalore could not be laid on the Table of Lok/Rajya Sabha within the period of nine months after the close of the accounting year, because the same were not received from the Institute by that time. The certified accounts, together with Audit Report and Audit Certificate were received from the Accountant General (Audit-I), Karnataka, Bangalore on 7th March, 1986. Thereafter these had to be translated by the Institute into Hindi and requisite number of copies prepared. Hence these documents could not be laid on the Table of the House within the stipulated period. These are, therefore, now being laid on the Table. In future no efforts would be spared to adhere to the time schedule."

1.4. The Ministry of Human Resource Development were requested to furnish information on certain points. The points on which information was sought and replies received thereto are as under :

#### *Dates when Reply sent by the Institute*

- |  |           |
|--|-----------|
| (i) The Annual Accounts for 1984-85 were finalised and given to Auditors for Auditing. | 12-9-1985 |
|--|-----------|

- |  |                            |
|--|----------------------------|
| (ii) Query, if any, received from the Audit, resolved and accounts returned to them.                                       | 2-1-1986 and<br>18-1-1986  |
| (iii) Annual Report and Accounts were adopted by Annual General Meeting of the Institute.                                  | 3-12-1985                  |
| (iv) Translation of Annual Report and Accounts was undertaken and completed.   | 3-1-1986                   |
| (v) English and Hindi versions of Annual Report and Accounts were sent to Printers and time taken in their printing.       | 3-1-1986                   |
| (vi) The printed copies were received by the Institute and forwarded to the Ministry for laying on the Table of the House. | 18-3-1986 and<br>23-4-1986 |

The reasons for delay at the various stages aforesaid were as under :

The Institute delayed submission of the Annual Accounts by about  $2\frac{1}{2}$  months. This appears to be due to some misunderstanding which is being sorted out so that in future it is avoided. It also took little more time than usual for auditing the accounts. Besides, there were not much delay at any other stages. The documents could not be laid on the Table of the Lok Sabha in May itself as the House adjourned. Hindi version of Annual Report received on 23-4-1986 from IIM, Bangalore and were issued on 5-5-1986 for Lok Sabha and Rajya Sabha. It was laid in Rajya Sabha on 12-5-1986. As Lok Sabha was adjourned meanwhile it could be laid in the House only on 31-7-1986.

1.5. The Annual Report and Review of the Institute for the year 1985-86 were laid on the Table of Lok Sabha on 12 March, 1987 with a delay of about  $2\frac{1}{2}$  months. The Audited Accounts for the year are yet to be laid.

1.6. The matter was considered by the Committee on Papers laid on the Table at their sitting held on 14 July, 1987.

1.7. The Committee are concerned to note that the Annual Report and Audited Accounts of the Indian Institute of Management, Bangalore,

for the year 1984-85 which were required to be laid on the Table of the House by 31 December 1985 were actually laid on 31 July, 1986 after a delay of 7 months.

1.8. The Committee find that the Institute took 5½ months in compilation of accounts whereafter it took nearly 6 months in auditing of these accounts. The Annual Report and Audited Accounts were adopted by the Annual General Meeting of the Institute on 3 December, 1985. Translation and printing were completed on 3 January, 1986 whereas the final Audit Report was received from the Auditors on 7 March 1986. Printed copies of the Annual Report and Accounts were received by the Ministry of Human Resource Development on 23 April 1986 for laying on the Table. These documents were actually laid on 31 July 1986 i.e. after a lapse of more than 3 months. The Committee regret that the recommendation made by them in this regard in paragraph 3.5 of their First Report (5th Lok Sabha) has not been followed by the Indian Institute of Management and the Ministry of Human Resource Development. The Committee, therefore, reiterate their aforesaid recommendation which stipulates laying of Annual Report and Audited Accounts within 9 months of the close of the relevant accounting year and hope that requisite steps would be taken to ensure implementation thereof in letter and spirit.

1.9. The Committee regret to note that the Ministry of Human Resource Development took more than 3 months in laying the Annual Report and Audited Accounts on the Table of the House which shows that the Ministry did not take the recommendation of the Committee seriously. The Committee are not at all convinced with the plea taken by the Ministry that the documents could not be laid on the Table of Lok Sabha in May itself as the House adjourned. The Committee feel that had the Ministry taken prompt action at least in sending the documents to Lok Sabha immediately after they were received by them, the delay in laying these documents would have definitely been minimised to a great extent. The Committee trust that such a lapse on the part of the Ministry will not recur.

1.10. The Committee are unhappy to find that the Annual Report of the Indian Institute of Management, Bangalore for the year 1985-86 were laid on the Table of the House on 12 March, 1987, with a delay of 2½ months whereas the Audited Accounts which were required to be laid together with the Annual Report, have not so far been laid. The Committee feel that in the absence of Audited Accounts it is very difficult to know the real achievements of the Institute during the financial year 1985-86 for which the grants were sanctioned. Moreover, this is not in consonance with the spirit of the Committee's recommendation contained in para 3.5 of their First Report (5th Lok Sabha) presented to the House on 8 March,

**1976 which contemplates laying of both Annual Report and Audited Accounts together on the Table of the House so that the House may have a complete picture of the activities, achievements and appropriation of grant-in-aid sanctioned to the Institute for a particular year.**

**1.11. The Committee hope that the Annual Accounts of the Institute for the year 1985-86 will be finalised and laid on the Table of the House expeditiously. In order to ensure laying of both the documents together and within the prescribed time limit of 9 months of the close of the accounting year in future, the Committee recommend that the Ministry may draw up a time bound programme in consultation with the Institute and the audit authorities and watch its adherence at sufficiently higher levels in the Ministry as also in the Institute.**



## CHAPTER II

### DELAY IN LAYING IN PARLIAMENT THE ANNUAL REPORT AND AUDITED ACCOUNTS OF THE SAMBHAR SALTS LIMITED AND HINDUSTAN SALTS LIMITED, JAIPUR FOR THE YEAR 1984-85

The Annual Reports and Audited Accounts of the Sambhar Salts Limited and Hindustan Salts Limited, Jaipur for the year 1984-85 were laid on the Table of Lok Sabha on 2 December, 1986 alongwith a copy of the delay statement.

2.2. 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 documents were required to be laid on the Table of Lok Sabha by 30 June, 1986 (The accounting year of the Company being from October, 1984 to September, 1985) *i.e.* within 9 months of the close of the accounting year of the Company. Thus, the period of delay involved in this case worked out to 5 months.

2.3. The reasons for delay in laying the Annual Reports and Audited Accounts had been explained as under :

“The Report was to be laid on the Table of the House by 30.6.1986. The time schedule could not be adhered to since it was observed during scrutiny of the Report that the reviews on the working of the Companies needed revision and the same had to be done after consultation with the company. By the time this exercise was completed, the following Monsoon Session of the Parliament was over. It was, therefore, considered proper to lay these documents on the table of the House during the Winter Session.”

2.4. In this connection, the Ministry of Industry (Department of Public Enterprises) were requested on 18 December, 1986 to furnish information on certain points. The points on which the information was

sought and the replies furnished thereto on 21 January, 1987 by the Ministry are as under :

**SAMBHAR SALTS LIMITED**

*Points*

*Replies*

I. The dates on which—

- |     |  |   |
|-----|--|---|
| (a) | the Annual Accounts were compiled and were made available to the Statutory Auditors for auditing.                  | 24.2.1986   |
| (b) | the auditing of accounts actually commenced.   | 15.7.1985   |
| (c) | the auditing of accounts was completed by the Statutory Auditors.  | 12.3.1986   |
| (d) | the Auditors furnished the final Audit Report to the Company.  | 12.3.1986   |
| (e) | the Annual General Meeting of the Company was held for adoption of the Annual Report and Audited Accounts.         | 29.3.1986   |
| (f) | the Annual Report and Audited Accounts were translated and time taken in it.                                       | 9.4.1986—About one month.   |
| (g) | the Annual Report and Audited Accounts were printed and sent to the Ministry for laying on the Table of the House. | Copies of Annual Report and Audited Accounts were sent on 27.5.86 and were received from the company on 2.6.86 but during the scrutiny of the reports it was observed that the reviews on the working of the companies needed revision and the same had to be done after consultation with the company. The revised review on the working of the company was received on 3.11.86. |

After further scrutiny and necessary formalities of authentication by the Minister etc., the Annual Reports of the companies were sent to Parliament House on 24.11.86 and laid on the Table of the Houses on 1.12.86 and 2.12.1986.

**HINDUSTAN SALTS LIMITED**

*Points*

*Replies*

**I. The dates on which—**

- |   |  |
|---|--|
| (a) the accounts for the year 1984-85 were compiled and were ready for audit.                         | 24.2.1986  |
| (b) the Hindustan Salts Limited approached the Ministry for appointment of Statutory Auditors.        | Company Law Board on advice of CAG had appointed Statutory Auditors vide letter dated 15.3.85, even before placing the Annual Accounts of 1983-84 in Annual General Meeting and hence there was no necessity for the company to approach the Ministry. |
| (c) the Auditors were appointed and undertook the audit of accounts.                                  | (i) Date of appointment<br>15.3.1985.  |
|   | (ii) Date of start of Audit<br>25.7.1985.  |
| (d) the Audit Report was received from the Auditors.  | 15.3.1986.   |
| (e) the Annual Report and Audited Accounts were adopted in the Annual General Meeting of the Company. | 31.3.1986.   |
| (f) the Annual Report and Audited Accounts were translated into Hindi and time taken in it.           | 9.4.86—About one month.  |

- (g) the Annual Report and Audited Accounts were sent for printing and the time taken in it. 9.4.86—One month and 15 days. Received from Press on 24.5.86.
- (h) the copies of Annual Report and Audited Accounts were sent to the Ministry for laying on the Table of the House. Copies of Annual Report and Audited Accounts were sent on 27.5.86 and were received from the company on 2.6.86 but during the scrutiny of the reports it was observed that the review on the working of the companies needed revision and the same had to be done after consultation with the Company.

The revised review on the working of the company was received on 3.11.86.

After further scrutiny and necessary formalities of authentication by the Minister etc., the Annual Reports of the Companies were sent to Parliament House on 24.11.86 and laid on the Table of the Houses on 1.12.86 and 2.12.1986.

2.5. The Ministry also furnished the following information in respect of both the companies :

<i>Points</i>	<i>Replies</i>
I. Latest position regarding the reports and accounts of the year 1985-86 and when it is proposed to be presented to the Parliament.	The current financial year 1985-86 <i>i.e.</i> October, 85—September, 86 was to end on 30th September, 1986, but has been extended to 31st March, 1987 to bring at par with Government financial year <i>i.e.</i> April-March from next year onward. The Annual Reports and Audited Accounts of the company for the current financial year are due for presentation to the Parliament by

December, 1987 and it is expected that the same will be presented by due date *i.e.* November-December, 1987.

II. The reasons for not following the financial year of the Government *i.e.* from April to March instead of accounting year from October to September.

Salt is a seasonal industry and production of salt depends on the weather conditions, Bulk of salt is produced from October to April, hence till September, 85, the company's financial year was from 1st October to 30th September. However, with a view to bring the Company's financial year at par with that of the Government's, the Company has extended its current financial year *i.e.* 1985-86 from October, 1985 to March, 1987. From 1.4.1987 the financial year would be from April to March.

III. The steps taken or proposed to be taken by the Ministry and Hindustan Salts Limited for laying the Annual Reports and Audited Accounts of the Company in time in future.

Auditors have already taken in hand the Audit simultaneously to eliminate delay and it is expected that the Annual Reports and Audited Accounts of the Company will be presented well in time.

2.6. The matter was considered by the Committee on Papers Laid on the Table at their sitting held on 8 September, 1987.

2.7. The Committee are unhappy to note that the Annual Report and Audited Accounts of the Sambhar Salts Limited, Jaipur and Hindustan Salts Limited, Jaipur for the year 1984-85, which were, in terms of the recommendation contained in para 4.16 of the Second Report (Fifth Lok Sabha) of the Committee on Papers Laid on the Table, required to be laid on the Table of Lok Sabha by 30 June, 1986 *i.e.* within nine months of the close of the accounting year, were actually laid after a delay of 5 months. The documents for the year 1985-86 are yet to be laid.

2.8. From the information furnished by the Ministry of Industry (Department of Public Enterprises), the Committee find that there was considerable delay at every stage. The Companies took about 5 months in compilation of accounts as against 3 months recommended for the purpose

by the Committee. Thereafter, 7 months were taken by Auditors in auditing of the accounts. The Ministry took another 7 months in preparing the 'Review' report of the Companies. Obviously the Ministry failed to exercise adequate supervision to ensure that the Annual Reports and Audited Accounts of the Companies were laid in Parliament in time. The Committee need hardly stress that it should be impressed on all concerned that the relevant documents should be laid in Parliament strictly in accordance with the time schedule stipulated by the Committee.

The Committee would also point out that the period of 9 months after the close of the accounting year, stipulated by them for laying of annual reports etc. in Parliament is the outer limit and efforts should be made to lay these documents as early as possible after the close of the accounting year. The Ministry of Industry should, therefore, draw up a detailed time schedule in consultation with the Companies and the Audit authorities and also make some senior officers responsible both in the Companies concerned and the Ministry to monitor the progress at each stage of the compilation of the accounts and their audit.

## CHAPTER III

### DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF JAMMU AND KASHMIR HORTICULTURAL PRODUCE MARKETING AND PROCESSING CORPORATION FOR THE YEAR 1980-81

The Annual Report and Audited Accounts of Jammu and Kashmir Horticultural Produce Marketing and Processing Corporation Limited, Srinagar, for the year 1980-81 along with Delay Statement and 'Review' were laid on the Table on 8 May, 1987.

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 accounting year, *i.e.* by 31 December, 1981. Thus the period of delay came to 5 years and  $4\frac{1}{2}$  months.

3.3. In the Delay Statement the reasons of delay had been explained as under :

“Jammu and Kashmir Horticultural Produce Marketing and Processing Corporation Limited was set up during the year 1978-79 and incorporated as a State Undertaking on 10th April, 1978, under the Companies Act, 1956. This Corporation has been established primarily to implement the major components of the International Development Association assisted Jammu-Kashmir Horticultural Project, for which agreement was signed between the Government of India and Government of Jammu and Kashmir and International Development Association in July, 1978. The authorised share capital of the Corporation is held by the Government of J&K, Government of India and fruit growers and fruit growers cooperatives in the ratio of 5 : 4 : 1. Being the majority share holder, superintendence and control over the Corporation is in the hands of the State Government of Jammu and Kashmir.

Because of inexperience, the Corporation could not finalise its accounts for the year 1980-81 in time. The Corporation has now intimated that its accounts for the subsequent years 1981-82, 1982-83, 1983-84, 1984-85 and 1985-86 are at various stages of completion and that these will be finalised expeditiously within the time frame drawn up for the purpose.”

3.4. The Ministry of Agriculture (Department of Rural Development) were requested on 11 June, 1987 to furnish information on certain additional points. The points on which the information was sought and replies of the Ministry thereto are as under :

<i>Points</i>	<i>Replies</i>
I. When the Annual Reports and Audited Accounts for the period July, 1978 to March, 1979 and 1979-80 were laid before Parliament.	The Annual Report and Audited Account of J&K HPMC for the years 1978-79 and 1979-80 were laid on the Table of Lok Sabha on 29.4.1985.
II. (a) When the Ministry of Agriculture brought the recommendation of the Committee contained in paragraph 4.16 of their Section Report (Fifth Lok Sabha) to the notice of the Corporation.	The Authorised share capital of J&K HPMC is held by the Government of Jammu and Kashmir, Govt. of India and Fruit Growers and Fruit Growers' Cooperatives in the ratio of 5:4:1. Being the majority share holder, superintendence and control over the Corporation is in the hands of the State Govt. of Jammu & Kashmir. This Department was, therefore, under the impression that the Annual Reports/Audited Accounts of J&K HPMC were not required to be laid before the Parliament. This matter was considered by the Committee on Papers Laid on the Table of the 7th Lok Sabha and the Committee in its 20th Report noted that under the Companies Act, 1956, Annual Reports and Audited Accounts of J&K HPMC are required to be laid on the Tables of the both the Central as well as State Legislatures. This position was conveyed to the State Govt. of Jammu & Kashmir and J&K HPMC by this Department on 11th June, 1984.



- (b) Whether the Delay Statements in respect of the aforesaid period were laid before Parliament. A copy of the Delay Statement was laid before Parliament.
- (c) Whether a time-bound programme for compilation of Annual Accounts and its auditing, preparation of Report, etc. as enunciated in para 3.5 of First Report (Fifth Lok Sabha) of Committee on Papers Laid was followed by the Corporation. The Corporation has drawn up a time frame for completing the pending Reports.
- III. Present position regarding preparation of Annual Report, compilation of Annual Accounts, etc. of the year 1985-86 and when the same it proposed to be laid before Parliament. The Corporation expects to complete the audit of its accounts for the year 1985-86 by Sept., 1987. This Deptt. would place before Parliament the Annual Report and Accounts for the year 1985-86 as soon as the same is furnished by the J&K HPMC.

3.5. Dealing with the question of laying of Annual Reports etc. of J&K Horticulture Produce Marketing and Processing Corporation on the Table of Lok Sabha, the Committee on Papers Laid (1983-84) had in para 6.6 of their 20th Report (Seventh Lok Sabha) *inter alia* observed :

“6.6. In the cases of the J&K Horticultural Produce Marketing and Processing Corporation and the Rehabilitation Plantation Limited, the Committee find that both are Government companies in terms of Section 617 of the Companies Act whose reports are required to be laid before Parliament as well as State Legislatures under Section 619(1) and (2) of the Companies Act, 1956. It is regrettable that inspite of the Statutory provision, the Annual Reports of none of the aforementioned companies are placed before Parliament. The argument advanced by the Ministry of Agriculture and the Ministry of Rehabilitation that the Annual Reports are not laid before Parliament because the majority of shares are held by the State

Governments cannot stand scrutiny in view of the aforementioned statutory provisions. It is a serious lapse on the part of the Ministries concerned to keep Parliament in dark about functioning of these corporations in which Central Government have invested a substantial capital. The Committee recommend that urgent steps should be taken to lay the Annual Reports and Audited Accounts of both the Corporations before Parliament."

3.6. The matter was considered by the Committee again at their sitting held on 8 September, 1987.

3.7. As far back as in 1984, the Committee had in para 6.6 of their 20th Report (Seventh Lok Sabha) *inter alia* recommended that urgent steps should be taken to lay the Annual Reports and Audited Accounts of J&K Horticultural Produce Marketing and Processing Corporation Ltd. before Parliament. It is a matter of regret that so far only the Annual Report and Audited Accounts for the year 1980-81 have been laid on the Table. The accounts for subsequent years viz. 1981-82, 1982-83, 1983-84, 1984-85 and 1985-86 stated to be at various stages of compilation, are yet to be laid in Parliament. The Committee deplore the long time taken in finalising the accounts of the Corporation from 1981-82 onwards and the attendant delay in laying these accounts and Audit Reports thereon on the Table.

3.8. The Committee desire that the Ministry of Agriculture (Department of Rural Development) should make concerted efforts and see to it that the laying of Annual Reports and Audited Accounts of the Corporation is not allowed to remain in arrears any further. The Committee recommend that the Ministry should chalk out a time bound programme to clear the backlog, in consultation with the Government of Jammu and Kashmir, the Corporation and the Audit authorities. The Committee hope that the Ministry will henceforth exercise proper supervision and review the progress of Papers required to be laid on the Table of the House, every month. After the arrears are cleared, it should be ensured that the required documents of the Corporation for each year are laid on the Table of the House within nine months of the close of the relevant accounting year.

The Committee would like to be apprised of the action taken in the matter within two months of presentation of this report.

## CHAPTER IV

### DELAY IN LAYING OF ANNUAL REPORT AND AUDITED ACCOUNTS OF CENTRAL COUNCIL FOR RESEARCH IN YOGA AND NATUROPATHY, NEW DELHI FOR THE YEAR 1984-85

The Annual Report and Audited Accounts of Central Council for Research in Yoga and Naturopathy, New Delhi for the year 1984-85 were laid on the Table of Lok Sabha on 24 July, 1986 along with a copy each of 'Review' and delay statement.

4.2. 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 were required to be laid on the Table of Lok Sabha by 31 December, 1985, *i.e.*, within 9 months of close of the accounting year. Thus, the period of delay involved in the above case came to about seven months.

4.3. In the delay statement the reasons for delay in laying the Annual Report and Audited Accounts had been explained as under :

"The accounts of the Central Council for Research in Yoga and Naturopathy, New Delhi, for the year 1984-85 were ready on 16th July, 1985. The Director of the Council has stated that the delay in compilation of the accounts was because of inadequate staff in position.

The accounts were sent to the Director of Audit on 13th September, 1985. The progress of the audit of accounts was as under :

D.A.C.R.'s Office were requested for audit	On 13.9.85
Audit Party arrived	On 24.9.85
Audit work started	On 24.9.85
Audit work completed	On 14.10.85
Draft Audit Report received by the Council	On 28.10.85
Date of final report	On 6.12.85

4.4. The position in so far as the Annual Report is concerned is as follows :

(i)	Date on which placed before the Government Body	14.11.85
(ii)	Discussion on Report with Officers of Council by the Officers of the Ministry	17.1.86
(iii)	Submission of draft Annual Report by the Council to the Ministry for editing and approval of the President.	6.2.86
(iv)	Receipt of report in the concerned Division.	11.2.86
(v)	Work completed on examination of the report and discussions with the Director of the Council.	4.3.86
(vi)	Request to Director, CCRYN, to edit the report in the light of discussion.	10.3.86

The draft Annual Report and the Audited Accounts of the Institute were received in the Ministry for getting approval of the President of the Governing Body on 13th March, 1986 and the President's approval was obtained on 8th April, 1986 and the approved report was sent to the Council for printing/cyclostyling on 9th April, 1986. Printed copies were received in this Ministry on 22nd May, 1986."

4.5. The Ministry of Health and Family Welfare were requested to furnish additional information on certain points. The points and replies received thereto on 24 September, 1986 were as under :

*Points*

*Replies*

1. Dates when—

- |   |   |
|---|---|
| (a) The Annual Accounts for 1984-85 were finalised. | The Annual Accounts were finalised on 16.7.85. However, due to non-availability of sufficient staff and the fact that the Director of the Council was out of station the Audit party was requested to take up the audit on or after 20th September, 1985, |
|---|---|

- (b) Query, if any, was received from the Audit and resolved and the Accounts returned to them. Nil.
- (c) Translation of Report and Accounts —was undertaken and completed. Sent for translation on 11.4.1986. Received from translator on 1.5.1986. Completed and forwarded to Ministry on 22.5.1986.

2. Latest position in regard to Annual Report Accounts for the year 1985-86 and when these are proposed to be laid before Parliament. The Annual Accounts for the year 1985-86 have been forwarded to D.A.C.R. on 2.7.1986 and the Audit Party has been conducting the Audit of the Accounts since 29.7.1986. The final report and Audited Accounts are likely to be placed in the meeting of Governing Body on 21.10.86 for approval before they are laid in Parliament.

4.6. The above matter was considered by the Committee on Papers Laid on the Table at their sitting held on 12 February, 1987.

4.7. The Committee noted that the Annual Report and Accounts of the Council for the year 1985-86 which were to have been laid before Parliament by 31.12.1986 had not actually been laid. The Committee desired that the Ministry of Health and Family Welfare might be asked to state the reasons for delay caused at each stage of processing the said Annual Report and Accounts. A statement received from the Ministry giving the requisite information is enclosed—APPENDIX-I.

4.8. The Annual Report and Audited Accounts of the Council for the year 1985-86 were laid on the Table of the House on 27 August, 1987 together with the Review and delay statement. In the delay statement the reasons for delay were stated as under :

“A meeting of the Governing body of the CCRYN was fixed on 6 January, 1987 and it was proposed to place the Annual Report and Audited Accounts before the Governing Body in the said meeting. The meeting was, however, postponed to a later date. In view of the postponement of the meeting, the

Director, CCRYN was requested on 13.2.1987 to depute the concerned Officer to discuss the report with the Officials of the Ministry of Health and Family Welfare. The discussion was held on 20.2.1987. The Director of the Council was requested on 4.3.1987 to recast the report. The Director of the Council in his communication dated 27 May, 1987 informed that the suggestions for making changes in the report were not acceptable to him and therefore, the report was slightly modified in the Ministry before approval of the President of the Governing Body was obtained on 22.7.1987. The Director of the Council was requested on 27 July, 1987 to send us cyclostyled copies of the report both in Hindi and English. The copies were received in the Ministry of Health on 20.8.1987."

4.9 At their sitting held on 9 September, 1987, the Committee heard oral evidence of the representatives of the Ministry of Health and Family Welfare in the matter.

4.10 On being enquired whether the Ministry had analysed the reasons leading to the delay in laying Annual Reports and Audited Accounts of the Council, the Additional Secretary, Ministry of Health and Family Welfare explained that the organisations to whom grants were given were sending the expenditure statements late to the Council and hence they were being compiled late. The second factor that led to the delay, was staff constraint. As against the sanctioned strength of 30 there were only 14 officials in the Council. Thirdly, the delay occurred in auditing the accounts, translation of Annual Reports and Audited Accounts into Hindi.

4.11 When asked about the corrective measures being taken by the Ministry, the witness informed the Committee that a series of meetings were held at the level of the Secretary (Health) to streamline the procedure and ensure timely laying of the required documents on the Table of the House. The witness assured the Committee that in view of the above mentioned steps taken by the Ministry there would be no delay in future in placing those documents on the Table of the House.

4.12 The Committee are unhappy to note that the laying of the Annual Report and Audited Accounts of the Central Council for Research in Yoga and Naturopathy, New Delhi for the year 1984-85 on the Table of the House was inordinately delayed. These were laid on the Table of Lok Sabha on 24 July, 1986 *i.e.* after about seven months of the stipulated date. The position regarding Annual Report and Audited Accounts for the year 1985-86 was no better as these were laid on the Table on 27 August, 1987 *i.e.* after about 8 months of the stipulated date.

4.13 The Committee are not convinced with the stereotyped reasons advanced by the Ministry of Health and Family Welfare that the delay in compilation of accounts of 1984-85 was caused on account of inadequate staff in position. The Committee also do not agree with the argument advanced by the Ministry that the compilation of accounts was delayed because the voluntary organisations and Government Hospitals which received grants from the Council for propagation of Naturopathy and Yoga, did not send the statement of accounts in time despite repeated written reminders. The Committee are of the opinion that much of the delay could have been avoided if the Ministry had exercised due caution and supervision in obtaining statements of accounts from voluntary organisations and hospitals by making personal contacts and holding meetings at sufficiently high level. The Committee need hardly stress that unless the Annual Reports and Audited Accounts are laid in time on the Table of the House, the Members of Parliament will not be able to assess the performance of the Council in true perspective and express their views thereon at the time of voting on Demands of Grants of the Ministry of Health and Family Welfare.

4.14 The Committee also note that the Annual Accounts for the year 1984-85 were ready by 16 July, 1985 but the Director of Audit, Central Revenues was approached on 13 September, 1985 *i.e.* after 2 months for appointment of Auditors for auditing the accounts. The Committee suggest that in order that the appointment of Statutory Auditors is not delayed and Director of Audit gets sufficient time for the purpose, the Council should initiate the process well in advance of the close of the accounting year.

4.15 The Committee further note that another factor that led the delay in finalisation of Annual Reports Audited Accounts was the inordinate delay in convening the meeting of the Governing Body of the Council and thereafter, its approval by the President of the Governing Body. The Committee are of the opinion that with a view to eliminating delay on this account, the Council should convene the meeting of the Governing Body immediately after receipt of the Audited Accounts and Audit Report from DACR. As regards translation and printing of Annual Reports and Audited Accounts arrangements should be made in advance and it should be ensured that the required number of copies of the Reports and accounts are printed within the specified time so that no delay occurs on this score.

4.16 In order to complete all stages of finalisation of Annual Reports and Audited Accounts, the Committee recommend that the Ministry might, in consultation with the Council and the Director of Audit draw up a time schedule in such a manner that all formalities are completed and the documents are laid on the Table of the House within nine months of the close of the accounting years of the Council as already recommended

earlier by the Committee on Papers Laid on the Table in paragraph 3.5 of their First Report (Fifth Lok Sabha)—presented to Lok Sabha on 8 March, 1976.

NEW DELHI ;  
*1 December, 1987*  

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*10 Agrahayana, 1909 (Saka)*

**NIRMALA KUMARI SHAKTAWAT,**  
*Chairperson,*  
*Committee on Papers laid on the Table.*



## APPENDIX I

### *Delay statement on Audit of Accounts and Annual Report of the Central Council for Research in Yoga and Naturopathy for the year 1985-86.*

<i>“Activity</i>	<i>Date</i>
<b>I. Audited A/Cs</b>	
1. Accounts for 1985-86 were ready on	25.6.86
2. Accounts for 1985-86 were sent to Ministry on	2.7.86
3. DACR's office was requested for audit on	2.7.86
4. Audit party arrived on	29.7.86
5. Audit work started on	29.7.86
6. Audit work completed on	21.8.86
7. Draft Audit Report received on	14.10.86
8. Copy of report sent to the Govt. by CAG on	10.11.86
9. Final Audit Report received on	10.11.86
<b>II. Annual Report</b>	
1. Annual Reports for 1985-86 were ready on	22.10.86
2. Sent for Hindi translation on	22.10.86
3. Translation work completed on	27.10.86
4. Sent to the President for approval on	24.12.86
5. Council requested to depute concerned officer to discuss the report on	13.2.87
6. Discussion with representative of Council held on	20.2.87
7. The meeting of the Governing Body has been fixed for 13 March, 1987.”	

## APPENDIX II

### *Summary of recommendations/observations contained in the Report*

Sl. No.	Reference to para No. of the Report	Summary of recommendations/ observations
1	2	3
1	1.7	The Committee are concerned to note that the Annual Report and Audited Accounts of the Indian Institute of Management, Bangalore, for the year 1984-85 which were required to be laid on the Table of the House by 31 December, 1985 were actually laid on 31 July, 1986 after a delay of 7 months.
2	1.8	The Committee find that the Institute took 5½ months in compilation of accounts whereafter it took nearly 6 months in auditing of these accounts. The Annual Report and Audited Accounts were adopted by the Annual General Meeting of the Institute on 3 December, 1985. Translation and printing were completed on 3 January, 1986 whereas the final Audit Report was received from the Auditors on 7 March, 1986. Printed copies of the Annual Report and Accounts were received by the Ministry of Human Resource Development on 23 April, 1986 for laying on the Table. These documents were actually laid on 31 July, 1986 i.e. after a lapse of more than 3 months. The Committee regret that the recommendation made by them in this regard in paragraph 3.5 of their First Report (5th Lok Sabha) has not been followed by the Indian Institute of Management and the Ministry of Human Resource Development. The Committee, therefore, reiterate their aforesaid recommendation which stipu-

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lates laying of Annual Report and Audited Accounts within 9 months of the close of the relevant accounting year and hope that requisite steps would be taken to ensure implementation thereof in letter and spirit.

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1.9

The Committee regret to note that the Ministry of Human Resource Development took more than 3 months in laying the Annual Report and Audited Accounts on the Table of the House which shows that the Ministry did not take the recommendation of the Committee seriously. The Committee are not at all convinced with the plea taken by the Ministry that the documents could not be laid on the Table of Lok Sabha in May itself as the House adjourned. The Committee feel that had the Ministry taken prompt action at least in sending the documents to Lok Sabha immediately after they were received by them, the delay in laying these documents would have definitely been minimised to a great extent. The Committee trust that such a lapse on the part of the Ministry will not recur.

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1.10

The Committee are unhappy to find that the Annual Report of the Indian Institute of Management, Bangalore for the year 1985-86 were laid on the Table of the House on 12 March, 1987, with a delay of  $2\frac{1}{2}$  months whereas the Audited Accounts which were required to be laid together with the Annual Report, have not so far been laid. The Committee feel that in the absence of Audited Accounts it is very difficult to know the real achievements of the Institute during the financial year 1985-86 for which the grants were sanctioned. Moreover, this is not in consonance with the spirit of the Committee's recommendation contained in para 3.5 of their First Report (5th Lok Sabha) presented to the House on 8 March 1976 which contemplates laying of both Annual Report and Audited Accounts together

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on the Table of the House so that the House may have a complete picture of the activities, achievements and appropriation of grant-in-aid sanctioned to the Institute for a particular year.

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1.11

The Committee hope that the Annual Accounts of the Institute for the year 1985-86 will be finalised and laid on the Table of the House expeditiously. In order to ensure laying of both the documents together and within the prescribed time limit of 9 months of the close of the accounting year in future, the Committee recommend that the Ministry may draw up a time bound programme in consultation with the Institute and the audit authorities and watch its adherence at sufficiently higher levels in the Ministry as also in the Institute.

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2.7

The Committee are unhappy to note that the Annual Report and Audited Accounts of the Sambhar Salts Limited, Jaipur and Hindustan Salts Limited, Jaipur for the year 1984-85, which were, in terms of the recommendation contained in para 4.16 of the Second Report (Fifth Lok Sabha) of the Committee on Papers Laid on the Table, required to be laid on the Table of Lok Sabha by 30 June, 1986 *i.e.* within nine months of the close of the accounting year, were actually laid after a delay of 5 months. The documents for the year 1985-86 are yet to be laid.

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2.8

From the information furnished by the Ministry of Industry (Department of Public Enterprises), the Committee find that there was considerable delay at every stage. The Companies took about 5 months in compilation of accounts as against 3 months recommended for the purpose by the Committee. Thereafter, 7 months were taken by Auditors in auditing of the accounts. The Ministry took another 7 months in preparing the 'Review' report of the

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Companies. Obviously the Ministry failed to exercise adequate supervision to ensure that the Annual Reports and Audited Accounts of the Companies were laid in Parliament in time. The Committee need hardly stress that it should be impressed on all concerned that the relevant documents should be laid in Parliament strictly in accordance with the time schedule stipulated by the Committee.

The Committee would also point out that the period of 9 months after the close of the accounting year, stipulated by them for laying of annual reports etc. in Parliament is the outer limit and efforts should be made to lay these documents as early as possible after the close of the accounting year. The Ministry of Industry should, therefore, draw up a detailed time schedule in consultation with the Companies and the Audit authorities and also make some senior officers responsible both in the Companies concerned and the Ministry to monitor the progress at each stage of the compilation of the accounts and their audit.

As far back as in 1984, the Committee had in para 6.6 of their 20th Report (Seventh Lok Sabha) *inter alia* recommended that urgent steps should be taken to lay the Annual Reports and Audited Accounts of J&K Horticultural Produce Marketing and Processing Corporation Ltd. before Parliament. It is a matter of regret that so far only the Annual Report and Audited Accounts for the year 1980-81 have been laid on the Table. The accounts for subsequent years viz. 1981-82, 1982-83, 1983-84, 1984-85 and 1985-86 stated to be at various stages of compilation, are yet to be laid in Parliament. The Committee deplore the long time taken in finalising the accounts of the Corporation from 1981-82 onwards and the attendant delay in laying these

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accounts and Audit Reports thereon on the Table.

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The Committee desire that the Ministry of Agriculture (Department of Rural Development) should make concerted efforts and see to it that the laying of Annual Reports and Audited Accounts of the Corporation is not allowed to remain in arrears any further. The Committee recommend that the Ministry should chalk out a time bound programme to clear the backlog, in consultation with the Government of Jammu and Kashmir, the Corporation and the Audit authorities. The Committee hope that the Ministry will henceforth exercise proper supervision and review the progress of Papers required to be laid on the Table of the House, every month. After the arrears are cleared, it should be ensured that the required documents of the Corporation for each year are laid on the Table of the House within nine months of the close of the relevant accounting year.

The Committee would like to be apprised of the action taken in the matter within two months of presentation of this report.

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4.12

The Committee are unhappy to note that the laying of the Annual Report and Audited Accounts of the Central Council for Research in Yoga and Naturopathy, New Delhi for the year 1984-85 on the Table of the House was inordinately delayed. These were laid on the Table of Lok Sabha on 24 July, 1986 *i.e.* after about seven months of the stipulated date. The position regarding Annual Report and Audited Accounts for the year 1985-86 was no better as these were laid on the Table on 27 August, 1987 *i.e.* after about 8 months of the stipulated date.

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4.13

The Committee are not convinced with the stereotyped reasons advanced by the Ministry of Health and Family Welfare that the delay in compilation of accounts of 1984-85 was caused on account of inadequate staff in position. The Committee also do not agree with the argument advanced by the Ministry that the compilation of accounts was delayed because the voluntary organisations and Government Hospitals which received grants from the Council for propagation of Naturopathy and Yoga, did not send the statement of accounts in time despite repeated written reminders. The Committee are of the opinion that much of the delay could have been avoided if the Ministry had exercised due caution and supervision in obtaining statements of accounts from voluntary organisations and hospitals by making personal contacts and holding meetings at sufficiently high level. The Committee need hardly stress that unless the Annual Reports and Audited Accounts are laid in time on the Table of the House. The Members of Parliament will not be able to assess the performance of the Council in true perspective and express their views thereon at the time of voting on Demands of Grants of the Ministry of Health and Family Welfare.

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4.14

The Committee also note that the Annual Accounts for the year 1984-85 were ready by 16 July, 1985 but the Director of Audit, Central Revenues was approached on 13 September, 1985 i.e. after 2 months for appointment of Auditors for auditing the accounts. The Committee suggest that in order that the appointment of Statutory Auditors is not delayed and Director of Audit gets sufficient time for the purpose, the Council should initiate the process well in advance of the close of the accounting year.

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1	2	3
13	4.15	<p>The Committee further note that another factor that led the delay in finalisation of Annual Reports and Audited Accounts was the inordinate delay in convening the meeting of the Governing Body of the Council and thereafter, its approval by the President of the Governing Body. The Committee are of the opinion that with a view to eliminating delay on this account, the Council should convene the meeting of the Governing Body immediately after receipt of the Audited Accounts and Audit Report from DACR. As regards translation and printing of Annual Reports and Audited Accounts arrangements should be made in advance and it should be ensured that the required number of copies of the Reports and accounts are printed within the specified time so that no delay occurs on this score.</p>
14	4.16	<p>In order to complete all stages of finalisation of Annual Reports and Audited Accounts, the Committee recommend that the Ministry might, in consultation with the Council and the Director of Audit draw up a time schedule in such a manner that all formalities are completed and the documents are laid on the Table of the House within nine months of the close of the accounting years of the Council as already recommended earlier by the Committee on Papers Laid on the Table in paragraph 3.5 of their First Report (Fifth Lok Sabha) presented to Lok Sabha on 8 March, 1976.</p>

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