

**COMMITTEE
ON
PAPERS LAID ON THE TABLE
(1988-89)**

(EIGHTH LOK SABHA)

TWENTY-FOURTH REPORT

(Presented on ~~26 APR 1989~~)



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1989/Vaisakha 1911 (Saka)

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THE TABLE (1988-89)**

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Shri Swarn Singh—*Officer on Special Duty.*

INTRODUCTION

I, 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 Twenty-Fourth Report.

2. On examination of certain papers laid on the Table of Lok Sabha during the Ninth, Tenth and Eleventh Sessions (Eighth Lok Sabha), the Committee have come to certain conclusions in regard to delay in laying of the Annual Reports and Audited Accounts of the (i) National Federation of Industrial Cooperatives Limited, New Delhi for the year ended 30 June, 1983; (ii) Engineering Export Promotion Council, Calcutta for the year 1985-86; (iii) University of Delhi for the year 1985-86; (iv) North Eastern Hill University, Shillong for the year 1985-86; (v) Banaras Hindu University for the year 1985-86; (vi) National Seeds Corporation Limited, New Delhi for the year ending 31 May, 1987; and (vii) Bharat Process and Mechanical Engineers Limited and Weighbird (India) Ltd., Calcutta for the year 1986-87 and have made certain recommendations. The conclusions of the Committee are reflected in the Report.

3. The Committee considered and adopted this Report at their sitting held on 16 March, 1989.

4. A statement giving summary of recommendations/observations of the Committee is appended to the Report (Appendix).

NEW DELHI ;
April, 1989
Vaisakha, 1911(Saka)

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

CHAPTER I

DELAY IN LAYING AUDITED ACCOUNTS AND AUDIT REPORT OF THE NATIONAL FEDERATION OF INDUSTRIAL COOPERATIVES LIMITED, NEW DELHI FOR THE YEAR ENDED 30 JUNE, 1983.

The Audited Accounts and Audit Report of the National Federation of Industrial Cooperatives Limited, New Delhi for the year ended 30 June, 1983 were laid together with a delay^{ed} statement and 'Review' on the Table of Lok Sabha on 1 December, 1987 i.e. after about 44 months of the close of the accounting year. The accounting year of the Federation begins from July and ends in June every year. The Annual Report for the period was laid earlier on 2 August, 1984 i.e. after 7 months of the close of the accounting period. It should not have taken more than 6 months as per recommendation of the Committee on Papers Laid contained in para 1.17 of their First Report (Fifth Lok Sabha).

1.2. The statement explaining the reasons for delay reads as follows :--

"It is regretted that delay has occurred in laying the Audit Report on the accounts of the National Federation of Industrial Cooperatives Ltd., New Delhi for the year ended 30th June, 1983 on the Table of the House due to the following reasons :—

- (i) The Accounts of the Federation are required to be audited by the statutory auditors appointed by Central Registrar of Cooperative Societies.
- (ii) The Central Registrar of Cooperative Societies appointed the Statutory auditors for undertaking the audit of the accounts of the National Federation of Industrial Cooperatives Ltd. for the years 1978-79 to 1981-82 on 10th November, 1982.
- (iii) The Statutory auditors could not audit the accounts of the Federation for the year 1982-83 till the audit of the accounts for the year 1981-82 was completed and audit report was available.
- (iv) The audit report in respect of accounts of the Federation for the year 1981-82 was received in September, 1986.

- (v) The reasons for delay in submission of audit report and audited accounts of the National Federation of Industrial Cooperatives Ltd., were explained to the Committee on Papers Laid on the Table of the Lok Sabha on 24th January, 1984 in the evidence tendered by Secretary and other officers of the Department of Industrial Development. The Government is anxious to get the audit work completed as early as possible. A time schedule for completing the audit work for the years 1978-79 to 1981-82 was chalked out. The audit Reports for all these years have since been laid in both the Houses of Parliament.
- (vi) The audit report for the year 1982-83 was submitted by the statutory auditors on 24th June, 1987 to the Federation.
- (vii) The audit report had to be studied in depth by the Federation which involved inviting comments of its branches located in Delhi and outside Delhi.
- (viii) As per provisions of Section 30 of the Multi-State Co-operative Societies Act, 1984 and Rules thereof (Rule 20), annual report/audit report is to be submitted in AGM for consideration or adoption. But the Board had been virtually not functioning since January, 1987. In order to obviate any further delay, the audit report for the year 1982-83 is being laid on the Table of both the Houses without its being adopted in AGM."

1.3. The Committee on Papers Laid on the Table had examined the delay in laying Annual Reports and Audited Accounts of the Federation for the years 1977-78, 1978-79 and 1979-80 and had made certain observations/recommendations in their Twentieth Report (Seventh Lok Sabha) presented to Lok Sabha on 8 May, 1984, for compliance by the Ministry of Industry. The recommendations/observations made by the Committee and the action taken replies thereto furnished by the Ministry of Industry on 7 August, 1984 are as under :—

Observations/recommendations made by the Committee in their 20th Report (7th Lok Sabha) presented to Lok Sabha on 8 May, 1984.

Action Taken replies furnished by the Ministry of Industry on 7th August, 1984.

2.16. The Committee are concerned to note that although the Annual Reports of the National Federation

The Central Registrar of Co-operative Societies has since appointed statutory auditors for undertaking

of Industrial Cooperatives Limited, New Delhi for the year 1977-78, 1978-79, 1979-80, 1980-81 and 1981-82 have already been laid on the Table of Lok Sabha yet the Audited Accounts of that Federation in respect of those years are still to be laid. The Committee regret to find that apart from the CBI which seized records of the Federation for the year 1976-77 and kept the same for quite some time, the Central Registrar of Cooperative Societies who is responsible for the appointment of statutory auditors, did not act promptly on requests made to him for the appointment of statutory auditors. The Committee would like the Ministry of Industry to impress upon the Central Registrar of Cooperative Societies the need for early appointment of statutory auditors so that the accounts of the Federation are not only audited in time but also laid on the Table of the House within the stipulated period of nine months of the close of the accounting year.

2.17. From the time schedule drawn up by the Ministry of Industry in consultation with the statutory auditors for auditing of Accounts for the years 1977-78 to 1981-82 the Committee find that the statutory Auditors would take 6 months in each case. The Committee feel that since the accounts of all the years have been finalised by the internal auditors the time given to the statutory auditors for carrying out their audit is not reasonable. If that schedule is followed the Committee

audit of the accounts of the Federation up to the year 1981-82. The statutory auditors have completed the Audit of the accounts of the Federation for the year 1978-79 and the audit of the accounts for the year 1979-80 is receiving their attention. The Central Registrar of Cooperative Societies will be requested, at appropriate time when the audit of the accounts for the year 1981-82 is taken up by the statutory auditors, to appoint statutory auditors for the year 1982-83 onwards. This will be vigorously followed with the Central Registrar so that no delay occurs on this account.

The Matter has been considered again in consultation with the officials of the National Federation of Industrial Cooperatives Limited and the statutory auditors. It has not been found feasible to reduce the time for auditing the accounts to 3 months as suggested by the Committee. However, in view of the need for clearing backlog of audit of the accounts of the Federation as early as possible, the time schedule for clearing audit up to the year 1981-82 has been re-drawn,

apprehend that the accounts of the Federation for the future years would never be laid on the Table in time. The Committee, therefore, recommend that the time schedule as drawn up should be re-considered and revised so that the auditing of accounts of the Federation by the Statutory Auditors is completed within the minimum possible time and in no case it should exceed 3 months. The Committee would also like to suggest that efforts be made to resolve queries, if any raised by the Audit promptly through personal contacts and discussions with the Auditors instead of resorting to protracted correspondence.

which is indicated below :

Year	To be completed by
1979-80	30th November, 1984
1980-81	21st March, 1985
1981-82	31st July, 1985

The observations of the Committee for resolving audit queries through personal contacts and discussions with the auditors rather than resorting to protracted correspondence have been brought to the notice of the Federation for necessary action and compliance.

2.18. The Committee hope that the Ministry would take requisite steps in the matter and also keep a close rapport with the Federation to ensure early finalisation and auditing of the accounts.

All possible efforts shall be made for early finalisation and auditing of the accounts of the Federation.

2.19. The Committee trust that after clearing the backlog, the Annual Reports and Audited Accounts of the National Federation of Industrial Cooperatives Limited, New Delhi would be laid on the Table of the House together and within nine months of close of the accounting year as per recommendation made by the Committee on Papers laid on the Table in paragraph 3.5 of their First Report (Fifth Lok Sabha).

As soon as the backlog of audit of the accounts of the Federation is completed, necessary action will be taken to place together with the Annual Reports and the Audited Accounts of the Federation before Parliament.

Noted for future.

2.20. The Committee regret to point out that the statements of reasons for delay laid alongwith the Annual Reports of the National Federation of Industrial Cooperatives Limited, New Delhi for the years 1980-81 and 1981-82, are misleading as these do not bear any mention of the position of the Audited Accounts of the Federation in respect of those years which had not been laid on the Table of the House. Since the Audited Accounts of the Federation had not been laid on the Table of the House. It was but imperative that the House was apprised of the position relating thereto. The Committee are constrained to observe that the statements of reasons for delay is devoid of full facts and have not been prepared with due care. The Committee need hardly point out that it is the responsibility of the Ministry concerned to ensure that in such cases, the facts stated in the statement of reasons for delay cover both the Annual Report and Audited Accounts of an organisation so that the House may identify the stages where the delay occurred and suggest remedial measures, wherever necessary. The Committee, therefore, desire the Ministry of Industry to be more careful in this regard in future.

1.4. The Ministry of Industry (Department of Industrial Development) were requested to furnish information on certain points. The points and replies thereto received on 29 March, 1986, are as under :

POINTS

- I. The dates when—
- (a) the Annual Report of the Federation for the year ended 30 June, 1983 was laid on the Table of Lok Sabha ;
- (b) central Registrar of Cooperative Societies was approached for appointment of Statutory Auditors for auditing the accounts for the year ended 30 June, 1983 ;
- (c) statutory Auditors were appointed by the Central Registrar of Cooperative Societies ;
- (d) the Annual Accounts for the year ended 30 June, 1983 were compiled and were ready for being handed over to the Statutory Auditors for auditing ;
- (e) the accounts were actually handed over to the Auditors ;
- (f) the auditing of accounts commenced and the time taken by the Auditors ;
- (g) the Auditors furnished final Audit Report to the Federation ;
- (h) the Annual Report and Audited Accounts together with the Audit Report were placed before the

REPLIES

It was laid on the Table of Lok Sabha on 2.8.84.

Central Registrar of Cooperative Societies was approached on 27.2.85.

Statutory Auditors for auditing of accounts of the Federation for the cooperative years, 1982-83, 1983-84 and 1984-85 were appointed on 25.9.85.

The annual accounts for the year ended 30.6.83, were compiled and were ready for being handed over to the Statutory Auditors for auditing on 23.2.87

The accounts were actually handed over to Auditors on 8.4.87.

The statutory Auditors started routine checking of accounts on 27.1.86 and completed it on 11.3.86. They started finalisation of accounts on 8.4.87 and the report was submitted by them on 24.6.87.

24th June, 1987.

Annual Report for the year 1982-83 was placed before the Board of Directors on 16th June,

Annual General Meeting of the Company ;

(i) Annual Report and Audited Accounts were taken up for translation and printing and time taken in it ;

(j) the 'Review' report was prepared and furnished to the Ministry of Industry ;

(k) delay statement prepared and submitted to the Ministry/Department ; and

(l) Annual Report and Audited Accounts together with Review and delay statement were sent to the Ministry of Industry for laying on the Table of the House.

II. The reasons for not laying Annual Report and Audited Accounts together on the Table of the House.

1984. Audited Report for the same year could not be placed before the Board as it had ceased to be effective when the Report from Statutory auditors was received i.e. 24.6.87. The AGM was also not held after the receipt of the Report.

Hindi version of the Annual Report was submitted to the Ministry on 26th July, 1984 and Hindi version of Audited Report was submitted to the Ministry on 21st October, 1987.

Review report prepared by the Ministry was submitted along with the Annual and Audit Reports on 31.7.84 and 27.11.87 respectively.

Delay statement prepared by the Ministry was submitted along with the Annual and Audit Reports on 31.7.84 and 27.11.87 respectively.

Annual Report was sent to the Ministry vide NAFIC's letter dated 30.6.84.

Audit Report was sent to the Ministry by the NAFIC on 11.8.87.

It was explained in the Annual Report of the NAFIC for the year 1982-83 that the Audit Report would be laid separately before the Parliament in order to obviate the delay.

III. The latest position of the Annual Report and Audited Accounts of the Company for the years ended 30 June, 1984, 30 June, 1985, 30 June, 1986 and 30 June, 1987. When these are expected to be placed before Parliament ?

Annual Reports for the year ending 30.6.84, 30.6.85 and 30.6.86 were laid on the Table of the House on 23.4.85, 6.5.86 and 24.3.87. The Annual Report for the year ending on 30.6.87 is still awaited from the Federation.

Audit Report for the year ending 30.6.84 is ready to be placed before the Board of Directors/AGM for its adoption. The Audit Report for the year ending 30.6.85 is under compilation. Statutory Auditors have not been appointed so far as Audit Reports for the years ending 30.6.86 and 30.6.87 are concerned.

IV. The reasons for not complying with the recommendations of the Committee on Papers Laid on the Table of Lok Sabha contained in paras. 2.6 to 2.20 of their Twentieth Report. (Seventh Lok Sabha) presented to Lok Sabha on 8 May, 1984.

From the instructions circulated by the Deptt. of Parliamentary Affairs in April, 1981 it became clear that the Annual Reports and Audit Reports of the Federation were to be placed before Parliament. At that time there was backlog of 4 years of the audited of the accounts for the years 1978-79, 1979-80, 1980-81 and 1981-82 to be laid on the Table of the House. The Central Registrar of Cooperative Societies appointed the Statutory Auditors for undertaking the audit of the accounts of the National Federation of Industrial Cooperatives Ltd. for the years 1978-79 to 1981-82 on 10th November, 1982. The Statutory Auditors could not audit the accounts of the

Federation for the year ending 30th June, 1983 till the audit of the accounts for earlier years were completed and audit reports were made available. Audit Report in respect of accounts of the Federation for the year 1981-82 was received in September, 1986. A time schedule for completing the audit work for the year 1978-79 to 1981-82 was chalked out. The audit reports for all these years have since been laid.

The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the Federation within the stipulated period of nine months from the close of the accounting year, in future.

The Board of Director of the Federation had ceased to be effective in 1987. Elections to the Board were held on 26th February, 1988 and it is hoped that the position will improve rapidly. The progress will be monitored with a view to bringing the position up-to-date.

1.5. The matter was considered by the Committee on Papers laid on the Table at their sitting held on 14 September, 1988.

1.6. The Committee are concerned to note that the audited accounts and audit report of the National Federation of the Industrial Cooperatives Limited, New Delhi for the cooperative year 1982-83 were laid on the Table of Lok Sabha after a delay of about 44 months and the annual report of the Federation, which was required to be laid alongwith the audited accounts and audit report, was laid separately with a delay of about 7 months. The documents of the Federation for the cooperative year 1983-84, 1984-85, 1985-86 and 1986-87 are yet to be finalised and laid on the Table of the House. The Committee are unhappy to note that there was delay almost at every stage of finalising the annual accounts and there has been delay in the matter, year after year. The Committee get an impression that the Ministry of Industry have not taken any positive steps to rectify the position and the Federation has been allowed to go in its own way in complete disregard of the guidelines laid down by the Committee from time to time.

1.7. The Committee regret to note that their earlier recommendations contained in para 2.16 of their 20th Report (7th Lok Sabha) do not seem to have been acted upon even though the Ministry had then assured that necessary remedial steps would be taken. The Committee reiterate their earlier recommendation and stress that all out efforts should be made to streamline the procedure followed in the Federation to ensure that the annual reports and audited accounts are placed together before Parliament within 9 months of the close of the accounting year in future.

1.8. The Committee also urge upon the Ministry to involve themselves in the affairs of the Federation and draw up a realistic time schedule for completion of each stage of finalisation of annual reports and audited accounts in respect of every year in arrears and monitor it at least at the level of Divisional Officer in the Ministry and see that the backlog is cleared without loss of further time.

1.9. The Committee are unhappy to note that the audited accounts and audit report of the Federation for the year 1982-83 were laid on the Table of Lok Sabha without being considered and adopted by the Annual General Meeting of the Federation. The Committee feel that this was quite irregular and not in keeping with the norms and the established procedure. The Committee therefore, suggest that the annual report and audited accounts of the Federation should invariably be get adopted by the Annual General Meeting before placing on the Table of the House, in order to avoid criticism at a later stage.

CHAPTER II

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE ENGINEERING EXPORT PROMOTION COUNCIL, CALCUTTA FOR THE YEAR 1985-86

The Annual Report and Audited Accounts of the Engineering Export Promotion Council, Calcutta for the year 1985-86 were laid on the Table of Lok Sabha on 15 December, 1987 along with Review and delay statement.

2.2. In terms of recommendation of the Committee on Papers Laid on the Table contained in paragraph 4.16 of their Second Report (Fifth Lok Sabha), these papers were required to be laid on the Table of Lok Sabha by 31 December, 1986 *i.e.* within 9 months of the close of the accounting year. Thus, the period of delay involved in this case worked out to 11½ months. In the delay statement the reasons for delay had been explained as under :—

“The laying of the Annual Report before the Parliament has been delayed due to the fact that the same was to be adopted at the Annual General Meeting of the Council. This meeting was held on 14th November, 1987 and could not take place earlier inspite of best endeavours made by the Council.”

2.3. On 17 December, 1987, the Ministry of Commerce were requested to furnish information on certain points. The points on which the information was sought and replies of the Ministry of Commerce thereto were as under :—

POINTS

REPLIES

I. The dates when—

(a) C&AG was approached for appointment of Statutory Auditors;

The Engineering Export Promotion Council approached Ministry of Commerce for approval of a Panel of Statutory Auditors *vide* their letter dated 7th January, 1986.

(b) Statutory Auditors were appointed by C&AG.

The panel of Auditors was approved and conveyed to EEPC *vide* letter dated 30th January, 1986. Subsequently, Auditors were appointed by the Council after getting the Govt. approval ratified in the Annual General Meeting of EEPC held on 30.10.1986.

(c) the Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing ;

The annual accounts were compiled after appointment of auditors and were ready by mid December, 1986 for handling over to Auditors.

(d) the accounts were handed over to the Auditors ;

The annual accounts for 1985-86 were handed over to Auditors in December, 1986.

(e) the auditing of accounts commenced and the time taken in it ;

The auditing of accounts commenced in mid December, 1986 and ended by second week of March, 1987.

(f) queries, if any, raised by Statutory Auditors ;

queries raised by the Auditor's were resolved by the working Committee of the Council in its meeting held on 27th March, 1987.

(g) queries of the Statutory Auditors resolved ;

the Auditors furnished the final report to EEPC on 27th March 1987.

(h) the Auditors furnished final Audit Report to the Company/ Organisation ;

The EEPC placed the Annual Report and Audited Accounts together with the Audit Report before its Annual General Meeting held on 14.11.1987.

(i) the Annual Report and Audited Accounts together with the Audit Report were placed before the Annual General Meeting of the Company ;

(j) Annual Report and Audited Accounts were taken up for translation and printing and time taken in it ;

Translation and printing of the Annual Report and Audited Accounts were taken up in April, 1987 and was completed by the first week of June, 1987.

- (k) the 'Review' report was prepared and furnished to the Ministry/Department ;
- (l) delay statement prepared and submitted to the Ministry/Department ; and

No such review report was prepared by the Council in the context.

The Council did not prepare any delay statement. The Ministry had constantly been reminding Council to expedite the submission of the Report as well as to apprise the latest position. The delay in holding of the Annual General Meeting for want of Govt. decisions on certain amendments of the Articles of the Association of the Council also attributed to the delay in submission of the report.

- (m) Annual Report and Audited Accounts together with Review and delay statement were sent to the Ministry of Commerce for laying on the Table of the House.

The Council furnished the Annual Report and audited accounts of the Council for 1985-86 to Ministry on 16th November, 1987.

- II. The latest position of the Annual Report and Audited Accounts of the Company for the year 1986-87. When these are expected to be placed before Parliament ?

The Working Committee of the EEPC has already approved the accounts of the Council for 1986-87 in its meeting held on 21.1.1988. The Annual Report is being placed before the next meeting of the Working Committee of the Council for approval. These Accounts/Report are expected to be ratified in the next Annual General Meeting of the EEPC scheduled for September, 1988. Extension of time for laying these Reports on the Table of both the Houses has been asked separately from both the Houses.

III. The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the Company within the stipulated period of nine months from the close of the accounting year, in future.

The Council propose to hold its 32nd (1986-87) and 33rd (1987-88) Annual General Meetings on 30th September, 1988 with a gap of 2 hours. This action would correct the EEPC's delay in submission of Reports on the Table of both the Houses, in future.

IV. Whether the Annual Reports and Audited Accounts of the preceding years 1982-83, 1983-84 and 1984-85 were laid on the Table of the House in time. If not, please give details.

There was delay in submission of Annual Reports and Audited Accounts of the EEPC. for 1982-83, 1983-84 and 1984-85 due to the facts that these reports were to be adopted at the Annual General Meetings of the Council. These meetings could not take place within the statutory time of submission of the Reports to the Lok Sabha/Rajya Sabha. Corrective measures have, however, now been taken by the Council to avoid any such delay in future.

2.4. The matter was considered by the Committee on Papers Laid on the Table at their sitting held on 14 September, 1988.

2.5. The Committee are concerned to note that the Annual Report and Audited Accounts of the Engineering Export Promotion Council, Calcutta for the year 1985-86 were laid on the Table of Lok Sabha after a delay of about 11½ months. These documents for the subsequent year 1986-87 which were due for laying by 31 December, 1987, are yet to be laid. The position of the documents pertaining to the earlier years was no better as these were never laid on the Table of the House within the scheduled period of 9 months of the close of the accounting year.

2.6. In the delay statement laid on the Table alongwith the Annual Report and Audited Accounts of the Council for the year 1985-86. the Ministry have not given full details as to how the processing of accounts was delayed at different stages such as compilation of accounts, appointment of Statutory Auditors, Auditing of accounts, resolving of Audit queries, holding of Annual

General Meeting of the Council, translation/printing of the Annual Report and Audited Accounts etc. In the absence of these details, it is not possible to identify the stages where the delay actually took place and where remedial measures need be taken.

The Committee, therefore, recommend that in the statement of reasons for delay Government should invariably incorporate full details about delay at different stages of finalisation of Annual Report and Accounts to enable the Committee to pin-point the areas of delay and suggest remedial measures.

2.7. The Committee also find from the additional information furnished by the Ministry of Commerce that the panel of Statutory Auditors was approved and conveyed to EEPC on 30 January, 1986 but the appointment of the Statutory Auditors was actually made after obtaining ratification of the Annual General Meeting of the Council held on 30 October, 1986 i.e. after a lapse of 9 months. The annual accounts were compiled after appointment of auditors and these were handed over to Auditors only in December, 1986. There was thus avoidable delay in the appointment of auditors as also in compilation of accounts. The Committee, therefore, recommend that the Ministry of Commerce should take immediate steps to evolve some procedure in consultation with the Comptroller and Auditor General of India and the Engineering Export Promotion Council to ensure that the Statutory Auditors are appointed with utmost promptitude and compilation of annual accounts is not delayed.

2.8. The Committee further find from the information furnished by the Ministry of Commerce that the Council took about 11½ months in compilation of the accounts as against 3 months earlier prescribed by the Committee on Papers Laid for the purpose. Then the Statutory Auditors took about 3 months in auditing of those accounts. Thereafter, another period of 7½ months was taken in placing the Annual Report and Audited Accounts before Annual General Meeting of the Council. The Committee are of the opinion that the Ministry of Commerce took no care to pursue the matter with the Council and allowed them to take their own time. The Committee have no doubt that had the Ministry followed up the matter with the Council, the things could have moved quickly and unnecessary delay avoided at many stages. The Committee desire that the Ministry of Commerce should nominate some senior officer in the Ministry to oversee this particular item of work in the Council with a view to ensure that in future the required documents are placed before Parliament within 9 months of the close of the accounting year.

CHAPTER III

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF UNIVERSITY OF DELHI FOR THE YEAR 1985-86

The Annual Report and Audited Accounts of University of Delhi for the year 1985-86 were laid on the Table of Lok Sabha on 19 November, 1987 along with a copy of 'Review'.

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 documents were required to be laid on the Table of Lok Sabha by 31 December, 1986. Thus there was delay of about 10½ months.

3.3. In the delay statement, the reasons for delay in laying the Annual Report and Audited Accounts were explained as under :—

"The work relating to the preparation of the Annual Report commenced soon after the admission rush was over sometime in middle of August, 1986. However, since the University had, besides a number of faculties and departments, 68 Colleges affiliated to it including the Royal College at Kanglung, Bhutan. It had taken considerable time to collect the information from these institutions. The University collected the material, analysed rearranged, edited and printed the English version of the Annual Report and after obtaining the approval of its Executive Council, submitted the same to the Court for its approval. However, a meeting of the court could not be held earlier than the last week of August, 1987. Thereafter, the University submitted copies of English version to the Ministry, which were received on 1.9.87. The University took some time in translating and preparing Hindi version of the Annual Report and sent the same to the Ministry on 11.9.1987. As such both the versions of the Annual Report of the University could not be laid before Parliament so far."

3.4. The Ministry of Human Resource Development (Department of Education) were requested to furnish information on certain points on 15

January, 1988. The replies to the points received thereto on 28 March, 1988 are as under :—

POINTS

REPLIES

I. Dates when—

(a) C&AG was approached for appointment of Statutory Auditors ;

In this connection Section 39(1) of the Delhi University Act, 1922 are reproduced below :— “39(1) The Accounts of the University shall, once at least in every year at intervals of not more than 15 months, be audited by the Comptroller and Auditor General of India.

(b) Statutory Auditors were appointed by C&A.G. ;

(2) The accounts when audited, shall be published in the Gazette of India and a copy of the accounts together with the audit report shall be submitted by the University to the visitor”.

The C&AG has nominated the Director of Audit, Central Revenues, New Delhi to audit the accounts of the University, on his behalf.

(c) the Annual Accounts were compiled and were handed over to the Statutory Auditors for auditing ;

12.8.1986

(d) the auditing of accounts commenced and the time taken in it ;

The auditing of accounts commenced on 20th August, 1986 and was completed on 6th October, 1986.

(e) queries, if any, raised by Statutory Auditors ;

Replies to the audit memoranda were given when the audit was in progress, the draft report was discussed with the Audit Party on 7th October, 1986. The draft Audit Report was received by the University on 20th November, 1986 and a reply to the same was sent to the DACR on 5th December, 1986.

(f) queries, of the Statutory Auditors resolved ;

- (g) the Auditors furnished final Audit Report to the Company/Organisation ;
- (h) the Annual Report and Audited Accounts together with the Audit Report were placed before the Annual General Meeting of the Company ;
- (i) Annual Report and Audited Accounts were taken up for translation and printing and time taken in it ;
- (j) delay statement prepared and submitted to the Ministry/Department ; and
- (k) Annual Report and Audited accounts together with Review and delay statement were sent to the Ministry of Human Resource Development for laying on the Table of the House.
- (II) The latest position of the Annual Report and Audited Accounts of the University for the year 1986-87. When these are expected to be placed before Parliament.
- Received on 12.1.1987 *vide* DACR's endorsement No. CA-II/2-2/DU/SAR/86-87/916 dated 8.1.1987.
- The meeting of the University Court was last held on 9th August, 1986 *i.e.* before the final report was received. The report and annual accounts for year 1985-86 will be placed before the University Court in its ensuing meeting.
- Hindi versions of annual report for the year 1985-86 was printed during June/ July, 1987. Annual accounts were taken up for Hindi translation in November, 1986 and completed in December, 1986. The translation of Audit Report is done by the DACR's office.
- The delay statement was prepared and submitted to the Ministry *vide* University letter No. IA dated 11.2.1987.
- English version on 30th January, 1987 and Hindi version on 11th February, 1987. Copies of the Annual Report were sent to the Ministry on 28th August, 1987.
- The English version of the Audited Accounts of the University for the year 1986-87 has already been sent to the Ministry of Human Resource Development *vide* letter No. IA dated 8th January 1988 and Hindi version of Audit Report is still awaited from the DACR, New Delhi. The Annual Report for the year 1986-87 is at the advance stage of finalisation.

III. The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the University within the stipulated period of nine months from the close of the accounting year, in future.

All possible efforts were made to adhere to the prescribed schedule.

3.5. The matter was considered by the Committee on Papers laid on the Table at their sitting held on 14 September, 1988.

3.6. The Committee note that the delay of about 10½ months in laying the Annual Report and Audit Accounts of the University of Delhi for the year 1985-86 occurred mainly on account of long time taken by the University in compilation of accounts and getting the documents translated in Hindi. The Committee note with satisfaction that there was not much of delay in laying in Parliament the Annual Report and Audited Accounts of the University for the year 1986-87.

3.7. The Committee recommend that the Ministry of Human Resource Development (Department of Education) should in consultation with the University of Delhi draw up a time bound programme for completion of different stages of the Annual Reports and Audited Accounts. Senior officers in the Ministry and the University should be made responsible to ensure that the documents are completed in all respects and place before Parliament within the stipulated period of 9 months from the close of the accounting year. The Committee would like to be apprised of the action taken in the matter.

CHAPTER IV

DELAY IN LAYING AUDITED ACCOUNTS OF THE NORTH-EASTERN HILL UNIVERSITY, SHILLONG FOR THE YEAR 1985-86

The Audited Accounts of the North-Eastern Hill University, Shillong for the year 1985-86 were laid on the Table of Lok Sabha on 10 December, 1987.

4.2 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 within 9 months of the close of the accounting year. Thus there was a delay of eleven months. The Annual Report and 'Review' were not laid on the Table of the House along with the Audited Accounts.

4.3 In the delay statement the reasons for delay were explained as under :—

"The Annual Accounts of the North-Eastern Hill University for the year 1985-86 and the Audit Report thereon were required to be laid before both the House of Parliament by 31.12.86. However, these documents could not be laid before Parliament by the prescribed date. A statement indicating in chronological order the dates of finalisation of the accounts of the University is given below :—

1. Date of finalisation of Accounts—~~30.9.86~~
2. Submission of accounts to Audit—20.10.86
3. Receipt of Draft Audit Report—14.5.87
4. Replies given to Audit queries—26.6.87
5. Receipt of final Audit Report—30.7.87
6. Translation and printing of Annual Accounts. English version—6.10.87
Hindi version—17.10.87
7. Adoption of Annual Accounts by appropriate University Authority.—4.5.87

4.4 The Ministry of Human Resource Development (Deptt. of Education) were requested to furnish information on certain points. The points on which information was sought and replies received thereto are as under ;—

POINTS

REPLIES

I. The dates when—

- | | |
|---|--|
| (a) C&AG was approached for appointment of Statutory Auditors ; | 26.5.73 as per provision of Section of 29(1) of the NEHM Act, 1973 (Act No. 24 of 1973). |
| (b) Statutory Auditors were appointed by C&AG ; | 1973-74 |
| (c) the Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing ; | 30.9.86 |
| (d) the auditing of accounts commenced and the time taken in it ; | Date of commencement—20.10.1986
Time taken—4 months. |
| (e) Auditors furnished final Audit Report to the Company Organisations ; and | 30.7.1987 |
| (f) delay statement prepared and submitted to the Ministry/department. | 20.10.1987 |

II. They may also state the reasons for not laying the annual report and review along with the annual accounts and audit report on the Table of Lok Sabha.

The University comprises of 5 different campuses located in far flung areas of three separate States of the region which resulted in delays in obtaining returns from the different centres. The dearth of trained manpower in the region adds to the problem. It took lot of time to settle the discrepancies in the returns received from different campuses by correspondence. All these factors account for non-preparation of the Annual Report in time.

III. The latest position of the Annual Report and audited Accounts of the University for the year 1986-87. When these are expected to be placed before Parliament ?

(a) The preparation of the Annual Report for the year 1986-87 was under process.

(b) The Statutory Auditors had completed auditing of the accounts for the year 1986-87 on 3.11.88 Reports were awaited.

IV. The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the University within the stipulated period of nine months from the close of the accounting year in future.

(c) *Annual Reports*—Special efforts were made to compile the Annual Reports in time.

(b) *Annual Accounts*—The remedial measure proposed for completion of Annual accounts to maintain the target date of laying are as follows :—

1. Cash sections would be required to send a statement of expenditure along with relevant vouchers to the Compilation Section at each week end.

2. Monthly compilation would be completed by the 10th of the following month.

3. The outstation Campuses/Colleges would be required to render monthly accounts by the 10th of the following month and the final accounts by 1st week of May following the accounting year.

4. Computerisation of financial operation may be considered for adoption.

4.5. The matter was considered by the Committee on Papers Laid on the Table at their sitting held on 14 September 1988.

4.6. The Committee note that the Audited Accounts of the North-Eastern Hill University, Shillong for the year 1985-86 were laid on the Table of Lok Sabha after a delay of 11 months and these documents for the subsequent year 1986-87 are still to be laid. The Annual Report and 'Review' were also not laid alongwith the Annual Accounts for the year 1985-86. From the information furnished by the Ministry of Human Resource Development (Department of Education) the Committee find that the delay occurred at the stages of compilation of Accounts and their auditing. It has been further stated that Annual Report and 'Review' could not be laid alongwith the Annual Accounts as the University comprised of 5 different campuses located in far flung areas of three separate states of the region which resulted in delay in collecting returns from these Centres.

4.7. The Committee recommend that the relevant documents should always be laid in time and in order to comply with the requirement of the Ministry concerned should draw up a time schedule for each stage *i.e.* compilation of Annual Accounts, their auditing, submission of audit report by Auditors, convening of appropriate authority for adoption of the documents, translation, printing and laying of annual reports and Audited Accounts of the University on the Table of the House. The Committee are also of the view that all the relevant documents *i.e.* annual report, Audited Accounts, 'Review' should invariably be laid together. The Committee also desire that the Ministry in consultation with the University should streamline the procedure and ensure that the documents are laid before Parliament in time in future.

CHAPTER V

DELAY IN LAYING OF ANNUAL REPORT OF BANARAS HINDU UNIVERSITY FOR THE YEAR 1985-86 ON THE TABLE OF LOK SABHA

The Annual Report of Banaras Hindu University for the year 1985-86 was laid on the Table of Lok Sabha on 25.2.88, alongwith a copy of Delay Statement and Review.

5.2. 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 papers ought to have been laid on the Table within 9 months of close of accounting year i.e. by 31st December, 1986. Thus, there was a delay of about 14 months.

5.3. In the delay statement, the reasons for delay in laying the Annual Reports were explained as under :

The Banaras Hindu University Act does not provide for compilation of its Annual Report. However, a decision was taken in March, 1982 for laying of Annual Reports of the University from the year 1977-78 before both the Houses of Parliament. The Annual Reports upto the year 1984-85 have already been laid before Parliament.

The University was able to collect relevant information from its various Departments and affiliated Colleges for compilation of the Annual Report for the year 1985-86 by the end of January, 1987. Thereafter, the collected information was processed and compiled in the prescribed format. It's re-checking, editing and typing was started after September, 1987. The English version of the Report was received by the Ministry in the middle of December, 1987. Further time was taken in getting the Hindi version of the Report ready and cyclostyled. The Hindi version was received by the Ministry in the last week of January, 88.

For the reasons stated above, it has not been possible to lay the Report before Parliament earlier."

5.4. In this connection, the Ministry of Human Resource Development (Department of Education) were requested on 7th March, 1988 to furnish information on certain points. The points on which the information was sought and the replies furnished thereto on 30th March, 1988 by the Department are as under :—

POINTS

REPLIES

I. The dates when—

- (a) the Annual Report was compiled.
- (b) the Annual Report was placed before the Annual General Meeting of the University.
- (c) the annual report was taken up for translation and printing and time taken in it ;
- (d) annual report together with Review and delay statement were sent to the Ministry of Human Resource Development for laying on the Table of the House.

The material for incorporation in Annual Report of the University for 1985-86 could be collected from various Departments and affiliate Colleges by the end of January, 1987. Thereafter, the information was processed and compiled in the prescribed format. Its re-checking, editing and typing was started after September, 1987.

The Annual Report 1985-86 was approved by the Vice-Chancellor on 12.12.87 in exercise of his power under Section 7(c) 5 of the BHU Act, as the Executive Council was not in session, and was placed before the Executive Council on 2-3 February, 1988 for approval.

Hindi translation work was undertaken in the first week of December, 1987. Cyclostyling of Hindi version was completed by 19th January, 1988.

Delay statements were sent to the Ministry twice on 15.12.87 and 5.2.1988 respectively.

(e) the latest position of the annual accounts for the year 1985-86. Whether these are being processed for auditing? If so, when these are expected to be laid on the Table of the House?

Annual Audited Accounts of the University for 1985-86 were laid before Lok Sabha on 8.5.87 and before Rajya Sabha on 12.5.87 respectively.

II. The latest position of the Annual Report and Audited Accounts of the University for the year 1986-87. When these are expected to be placed before Parliament?

The material for the Annual Report of the University 1986-87 was under process and the translation work was in progress. The Annual Report was likely to be submitted by April, 1988.

The Annual Audited Accounts of the University for 1986-87 have since been received from the University and necessary action was taken to lay them before the Parliament during its Budget Session.

III. The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the University within the stipulated period of 9 months from the close of the accounting year, in future.

The University has reportedly devised various mechanisms for curtailing delays in the collection, compilation and processing of requisite material for incorporation in the Annual Report and Accounts of the University due to be laid by December, 1988.

5.5. The matter was considered by the Committee on Papers laid on the Table at their sitting held on 14 September, 1988.

5.6. The Committee ~~and that~~ delay of about 14 months in laying the Annual Report of Banaras Hindu University for the year 1985-86 occurred mainly due to the fact that there was inordinate delay in compilation of documents and a period of 2 months was taken for placing the Annual Report before the Executive Council. The Committee also note that the annual report for the

subsequent year 1986-87 was laid before Parliament with a delay of about 7½ months. However, the Annual Audited Accounts of University for the year 1986-87 were further delayed and laid on the Table of Lok Sabha only on 21 April, 1988. The Committee have from time to time emphasized that both the Annual Report as also the audited accounts for the period should be laid on the Table simultaneously. All efforts should be made to ensure this.

5.7. The Committee also desire that sincere efforts should be made to ensure that the requisite documents are laid together on the Table of the House within the stipulated period of nine months of the close of the accounting year.

CHAPTER VI

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE NATIONAL SEEDS CORPORATION LIMITED, NEW DELHI FOR THE YEAR ENDING 31 MAY, 1987

The Annual Report and Audited Accounts together with Review of the National Seeds Corporation Limited, New Delhi for the year ending 31 May, 1987 were laid on the Table of Lok Sabha on 18 August, 1988.

6.2. 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 the end of February, 1988 *i.e.* within nine months of the close of the accounting year. Thus the period of delay involved in this case worked out to about 5½ months.

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

“The National Seeds Corporation Limited which is a company wholly owned and controlled by the Central Government is under the jurisdiction of Department of Agriculture and Co-operation of the Ministry of Agriculture. Its accounting year begins on 1st June of every year and ends on 31st May of the succeeding year. The accounting year 1986-87 of the National Seeds Corporation ended on 31st May, 1987 and according to the aforesaid recommendations of the Committee on Papers Laid on the Table, the Company's Annual Report and audited accounts for the year should have been laid on the Tables of both Houses of Parliament by 29th February, 1988 but it has not been possible to do so. The reasons for the delay are as under :—

The Annual General Meeting of the Corporation for approving the annual accounts for 1986-87 was convened on 15th February, 1988. The Comments of the Comptroller and Auditor General of India on the accounts of the Corporation were not available on that day. The accounts were finally approved on 20th April, 1988 in the Annual General Meeting. Since it was not possible for the Corporation to get their Annual Report for 1986-87 printed both in English

and Hindi for presenting it before Parliament by 29th February, 1988 a request was made to the Lok Sabha Secretariat and Rajya Sabha Secretariat vide O.M. No. 7-2/88/SD-I dated the 31st May, 1988 of the Department of Agriculture and Cooperation for extension of time upto 30th September, 1988 for laying the Annual Report and audited accounts of the National Seeds Corporation for the year 1986-87 and the Government's review thereon, on the Tables of both the Houses of Parliament. The Annual Report and the audited accounts of National Seeds Corporation are now being laid on the Tables of both the Houses, alongwith the delay statement.

Delay Statement :

- | | |
|--|----------------|
| 1. Date on which the accounts were compiled by the Corporation. | February, 1988 |
| 2. (a) Date on which Statutory Auditors were appointed. | 3.3.1987 |
| (b) Date on which accounts were handed over to them for Audit. | 3.3.1987 |
| 3. Date on which the accounts were audited by the Statutory Auditors. | 8.2.1988 |
| 4. Date on which accounts were referred to the Comptroller and Auditor General of India (Director of Auditor, Food). | 16.2.1988 |
| 5. Date on which audit certificate were received from the Comptroller and Auditor General of India. | 12.4.1988 |
| 6. Date on which the Annual General Meeting of the Corporation approved the accounts. | 20.4.1988 |
| 7. Date on which the Annual Report was presented and approved by the General Meeting. | 20.4.1988 |
| 8. Date of preparation of the report in Hindi. | 16.2.1988 |
| 9. Date of submission of the report to the Ministry of Agriculture. | |
| English version | 28.4.1988 |
| Hindi version | 28.4.1988" |

6.4. The Ministry of Agriculture (Department of Agriculture and Cooperation) was requested on 26 August, 1988 to furnish information on certain points. The points on which the information was sought and replies of the Ministry thereto received on 19 December, 1988 were as under :—

POINTS	REPLIES
I. The dates when—	
(a) C&AG was approached for appointment of Statutory Auditors.	9.12.86.
(b) The annual accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing.	The Statutory/Branch Auditors started the routine audit of accounts in the month of June/July, 1987. Final Annual Accounts schedules were handed over to them immediately after completion of routine audit. The
(c) the accounts were handed over to the Auditors.	dates of handing over of the Annual Accounts statements differ from Regional Office to Regional Office.
(d) the auditing of accounts commenced and the time taken in it.	The audit of accounts commenced in the month of June/July, 1987. Branch Auditors completed the audit in the month of November, 1987 but the statutory auditors completed audit in the month of February, 1988.
(e) queries, if any, raised by the Statutory Auditors/Branch Auditors.	Branch Auditors of Eastern, Western and Southern Zone submitted reports raising certain queries but the Statutory Auditors have not given any report. Certain points were raised by them at the time of discussion. (Southern Zone on 23.10.87 Western Zone on 20.9.87, 3.10.87 and 7.10.87 Eastern Zone on 9.10.87, 23.10.87 and 4.10.87).

(f) queries of the Statutory Auditors/Branch/Auditors resolved.

The queries raised by the Statutory Auditors during the course of discussion were resolved immediately. The reports given by the Branch Auditors were replied to them by concerned Regional Offices of Eastern, Western & Southern Zones on the following dates :
Eastern Zone : 20.11.87, 27.11.87 & 16.12.87

Western Zone : 3.11.87 & 20.11.87
Southern Zone : 30.10.87, 3.11.87, 11.11.87, 12.11.87, 13.11.87, & 7.12.87.

(g) the Auditors furnished final Audit Report to the company.

Statutory Auditors furnished final report on 15.2.88 (comments of CMAA received on 12.4.88).

(h) the review report was prepared and furnished to the Ministry/Department.

Review report was prepared by the Ministry on 20.7.87.

(i) Delay statement prepared and furnished to the Ministry/Department.

6.5.1988.

II. The latest position of the Annual Report and Audited Accounts of the Company for the year 1987-88. When these are expected to be placed before Parliament.

The compilation, consolidation, and audit of accounts for the year 1987-88 is under progress and are expected to be placed within Statutory period.

III. The remedial measures taken or proposed to be taken to ensure laying of Annual Report and Audited Accounts of the Company within the stipulated period of nine months from the close of the accounting year, in future.

The Corporation have given a fixed time schedule to all Regional Offices for finalising the Annual Accounts and submitting the prescribed returns to Head Office. Statutory/Branch Auditors have also been requested for expediting the audit of accounts. Director of Audit (Food) is also requested for communicating the

comments of C&AG after handing over the accounts adopted by the Board of Directors at the earliest possible. Accounts & Finance Division at Head Office is also being suitably strengthened to expedite the finalisation of Annual Accounts of the Corporation for the year 1987-88.

6.5. The matter was considered by the Committee on Papers Laid on the Table at their sitting held on 6 January, 1989.

6.6. The Committee note that the annual report and audited accounts of the National Seeds Corporation Limited, New Delhi for the year ended 31 May, 1987 were laid on the Table of the Lok Sabha after a delay of 5½ months. The Committee are unhappy to note that the auditing of accounts which commenced in the month of June/July, 1987 was completed in the month of February, 1988. In this way, a long period of 8 months was taken by Auditors in completing the audit report. Thereafter, another period of about 2 months was taken by the office of the C&AG, in issuing comments on the final audit report of the Statutory Auditors. The Committee do not wish to apportion blame for delay in compilation and auditing of accounts on different agencies but recommend that the entire time schedule for compilation and processing of accounts and audit report thereon should be carefully reviewed to plug the loopholes, if any. The Committee are interested only in seeing that the documents are placed in Parliament within the stipulated time.

6.7. The Committee are constrained to observe that the Ministry of Agriculture who are administratively responsible for the affairs of the Corporation were in possession of the required documents on 28 April, 1988, but they failed to lay them on the Table of the House in the Budget Session, 1988, which commenced on 22 February and ended on 30 May, 1988. The Committee cannot help expressing their unhappiness over the casual manner in which the Ministry had handled this matter. The Committee trust that the Ministry would be watchful in future to avoid recurrence of such lapses.

CHAPTER VII

DELAY IN LAYING ANNUAL REPORTS AND AUDITED ACCOUNTS OF M/S BHARAT PROCESS AND MECHANICAL ENGINEERS LIMITED AND WEIGHBIRD (INDIA) LTD., CALCUTTA FOR THE YEAR 1986-87

The Annual Reports and Audited Accounts of M/s Bharat Process and Mechanical Engineers Limited and Weighbird (India) Limited, Calcutta (Sister concerns) for the year 1986-87 were laid on the Table of Lok Sabha on 2 September, 1988 alongwith a copy of 'Review' and delay statement.

7.2. 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 31 December, 1987, i.e. within 9 months of the close of the accounting year. Thus, the period of delay involved in the above case came to more than 8 months.

7.3 In the delay statement, the reasons for delay in laying the Annual Report and Audited Accounts of the Companies have been explained as under :—

“The Annual General Meetings of both Bharat Process and Mechanical Engineers Ltd. (BPMEL) and Weighbird (India) Ltd. (WIL), Calcutta, for the financial year 1986-87, were held on December 30, 1987. However, the meetings had to be adjourned without adoption of Annual Accounts for the said year in view of the fact that audit of the accounts could not be completed owing to strike by the workman and staff union. After the strike was called off towards the end of January, 1988, remaining formalities in respect of audit of the accounts, both statutory and C&AG audit were got completed expeditiously,

The Annual General Meetings were then held on 2nd April, 1988, and 6th June, 1988, for BPMEL and WIL respectively, in which the audited accounts were adopted. Hence the delay in laying the Annual Reports of these two companies before the House.”

7.4. In this connection, the Ministry of Industry (Department of Public Enterprises) were requested on 8 September, 1988 to furnish information on certain points. Information, so received, on 29 November, 1988 in reply to points, is as under :—

POINTS	REPLIES	
	<u>BPMEL</u>	<u>WIL</u>
I. The dates when—		
(a) C&AG was approached for appointment of Statutory Auditors :	1.12.1986	30.12.1986
(b) Statutory Auditors were appointed by C&AG;	27.5.1987	12.3.1987
(c) The annual accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing ;	19.9.1987	7.3.1988)
(d) The accounts were handed over to the Auditors ;	19.9.1987	14.3.1988
(e) The auditing of Accounts commenced and the time taken in it ;	Final Report cleared on 7.12.1987	30.3.1988
(f) Queries of the Statutory Auditors resolved ;	Total time for (e) to (g) is 2 months 18 days 16 days	
(g) The auditors furnished final report to the Companies ;		
(h) Annual Report and Audited Accounts were taken up for translation and printing and time taken in it ;	Part A/c given for printing on 8.12.87 All balance A/C given on 4.4.88	Part A/c given for printing on 1.4.88 All balance A/C given on 7.6.88

(The accounts could not be completed by WIL)

as the Company did not have any Accountant. The earlier Accountant had left the company in early 1986 and the post could not be filled-up. Further, there was 47 days long strike).

(i) Annual reports and audited accounts together with review and delay statement were sent to the Ministry of Industry for laying on the Table of the House :

29.4.88	1.7.88
Total time for printing & laying on the Table of the House	Total time for printing and laying on the table of the House.
— 25 days	— 24 days

It may kindly be appreciated that Weighbird India Ltd., is a subsidiary unit of BPMEL. Therefore, the reports of the two Companies have to be laid on the Table of the House together. Unfortunately, Annual Reports and Audited Accounts of WIL were received by the Department only on July 1, 1988. Since the receipt of this report and their laying on the Table of the House, some time was lost in their processing and getting the Hindi translation done. Thereafter, the reports were processed with speed and laid on the Table of the House.

ii. The reasons for holding Annual General Meeting of Weighbird (India) Ltd., after inordinately longer period of about 4 months of the end of the strike.

Finalisation work on A/C was completed after strike was over and statutory audit commenced in March 1988, CAG audit took 2 months thereafter.

iii. The latest position of the Annual Reports and Audited Accounts of the Companies for the year 1987-88. When these are expected to be placed before Parliament ?

Accounts for 1987-88 are in final stages. These accounts were adopted by the Board in the meeting held on 28th October, 1988 and have been submitted for CAG Audit. After CAG's approval, the accounts are to be again adopted by the Company's Board and thereafter formally adopted at the Company's A.G.M. This exercise takes about 10—12 weeks.

IV. The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the Companies within the stipulated period of nine months from the close of the Accounting years, in future.

The Company has been directed to take all necessary steps to finalise Annual Accounts within the stipulated period of nine months. This is also being closely monitored by the Department. However, it is now proposed to include the Annual Reports of the subsidiary Companies including BPMEL & WIL in the Annual Report of the Holding Company, BBUNL as per 619(A) of the Companies Act, 1956, the compilation of which may take some more time.

7.5. The matter was considered by the Committee on Papers Laid on the Table at their sitting held on 6 January, 1989.

7.6. The Committee regret to note that inspite of the close monitoring by the Department of the Public Enterprises, the Annual Reports and Audited Accounts of the Bharat Process and Mechanical Engineers Limited and Weighbird (India) Ltd., Calcutta for the year 1986-87 were laid on the Table of the House after a delay of more than 8 months and these documents for the subsequent year 1987-88 which ought to have been laid by 31 December, 1988 are yet to be laid. The Committee also note from the information furnished by the Department of Public Enterprises that the Weighbird (India) Limited took about 11 months in compiling their accounts for 1986-87 as against 3 months prescribed for the purpose. The Committee are not convinced with the justification given by the Department of Public Enterprises that the Company did not have any accountant as the earlier one had left the Company in early 1986 and the post could not be filled up. It is also not clear how 47 days strike resulted in delay of more than 8 months in finalising the Annual Reports and Audited Accounts.

7.7. The Committee are unhappy to observe that knowing fully well that the documents are required to be laid before Parliament within the prescribed time limit of 9 months timely steps were not taken by the Company to ensure that accounts were finalised well in time. The position of compilation of accounts of Bharat Process and Mechanical Engineers Limited for the year 1986-87 was not better as they also took about 6 months in compilation of their accounts. The Committee are constrained to observe that at no stage the companies and the Department of Public Enterprises seemed to have made

serious efforts to get the Annual Reports and Audited Accounts finalised with expedition.

7.8. The Committee, therefore, recommend that the Department of Public Enterprises should draw up a time schedule for completion of each stage viz. compilation of accounts, their auditing, furnishing of audit report, holding of AGM, translation, printing and sending the documents to the Department of Public Enterprises for laying on the Table of the House within the time prescribed by the Committee in para 4.16 of their 22nd Report (5th Lok Sabha).

NEW DELHI ;
April, 1989

Vaisakha 1911 (Saka)

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

APPENDIX

Summary of Recommendations/Observations

Sl. No.	Reference Para No. of the Report	Summary of recommendations/ observations
1	2	3
1.	1.6	The Committee are concerned to note that the audited accounts and audit report of the National Federation of the Industrial Cooperatives Limited, New Delhi for the cooperative year 1982-83 were laid on the Table of Lok Sabha after a delay of about 44 months and the annual report of the Federation, which was required to be laid alongwith the audited accounts and audit report, was laid separately with a delay of about 7 months. The documents of the Federation for the cooperative years 1983-84, 1984-85, 1985-86 and 1986-87 are yet to be finalised and laid on the Table of the House. The Committee are unhappy to note that there was delay almost at every stage of finalising the annual accounts and there has been delay in the matter, year after year. The Committee get an impression that the Ministry of Industry have not taken any positive steps to rectify the position and the Federation has been allowed to go in its own way in complete disregard of the guidelines laid down by the Committee from time to time.
2.	1.7	The Committee regret to note that their earlier recommendations contained in para 2.16 of their 20th Report (7th Lok Sabha) do not seem to have been acted upon even though the Ministry had then assured that necessary remedial steps would be taken. The Committee reiterate their earlier recommendation and stress that all out efforts should be made to streamline the procedure followed in the Federation to ensure that the annual reports and audited accounts are placed together before Parliament within 9 months of the close of the accounting year, in future.

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3.	1.8	The Committee also urge upon the Ministry to involve themselves in the affairs of the Federation and draw up a realistic time schedule for completion of each stage of finalisation of annual reports and audited accounts in respect of every year in arrears and monitor it at least at the level of Divisional Officer in the Ministry and see that the backlog is cleared without loss of further time.
4.	1.9	The Committee are unhappy to note that the audited accounts and audit report of the Federation for the year 1982-83 were laid on the Table of Lok Sabha without being considered and adopted by the Annual General Meeting of the Federation. The Committee feel that this was quite irregular and not in keeping with the norms and the established procedure. The Committee, therefore, suggest that the annual report and audited accounts of the Federation should invariably be got adopted by the Annual General Meeting before placing on the Table of the House, in order to avoid criticism at a later stage.
5.	2.5	The Committee are concerned to note that the Annual Report and Audited Accounts of the Engineering Export Promotion Council, Calcutta for the Year 1985-86 were laid on the Table of Lok Sabha after a delay of about 11½ months. These documents for the subsequent year 1986-87 which were due for laying by 31 December, 1987, are yet to be laid. The position of the documents pertaining to the earlier years was no better as these were never laid on the Table of the House within the scheduled period of 9 months of the close of the accounting year.
6.	2.6	In the delay statement laid on the Table alongwith the Annual Report and Audited Accounts of the Council for the year 1985-86, Ministry have not given full details as to how the processing of accounts was delayed at different stages such as compilation of accounts, appointment of Statutory Auditors, Auditing of accounts, resolving of Audit queries, holding of Annual General Meeting of the Council, translation/printing of the Annual Report and Audited Accounts etc. In the absence of these details, it is not possible to identify the stages where the delay actually took place and where remedial measures need be taken.

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The Committee, therefore, recommend that in the statement of reasons for delay Government should invariably incorporate full details about delay at different stages of finalisation of Annual Report and Accounts to enable the Committee to pin-point the areas of delay and suggest remedial measures.

7. 2.7 The Committee also find from the additional information furnished by the Ministry of Commerce that the panel of Statutory Auditors was approved and conveyed to EEPC on 30 January, 1986 but the appointment of the Statutory Auditors was actually made after obtaining ratification of the Annual General Meeting of the Council held on 30 October, 1986 *i.e.* after a lapse of 9 months. The annual accounts were compiled after appointment of auditors and these were handed over to Auditors only in December, 1986. There was thus avoidable delay in the appointment of auditors as also in compilation of accounts. The Committee, therefore, recommend that the Ministry of Commerce should take immediate steps to evolve some procedure in consultation with the Comptroller and Auditor General of India and the Engineering Export Promotion Council to ensure that the Statutory Auditors are appointed with utmost promptitude and compilation of annual accounts is not delayed.

8. 2.8 The Committee further find from the information furnished by the Ministry of Commerce that the Council took about 11½ months in compilation of the accounts as against 3 months earlier prescribed by the Committee on Papers Laid for the purpose. Then the Statutory Auditors took about 3 months in auditing of those accounts. Thereafter, another period of 7½ months was taken in placing the Annual Report and Audited Accounts before Annual General Meeting of the Council. The Committee are of the opinion that the Ministry of Commerce took no care to pursue the matter with the Council and allowed them to take their own time. The Committee have no doubt that had the Ministry followed up the matter with the Council, the things could have moved quickly and unnecessary delay avoided at many stages. The Committee

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		desire that the Ministry of Commerce should nominate some senior officer in the Ministry to oversee this particular item of work in the Council with a view to ensure that in future the required documents are placed before Parliament within 9 months of the close of the accounting year.
9.	3.6	The Committee note that the delay of about 10½ months in laying the Annual Report and Audited Accounts of the University of Delhi for the year 1985-86 occurred mainly on account of long time taken by the University in compilation of accounts and getting the documents translated in Hindi. The Committee note with satisfaction that there was not much of delay in laying in Parliament the Annual Report and Audited Accounts of the University for the year 1986-87.
10.	3.7	The Committee recommend that the Ministry of Human Resource Development (Department of Education) should in consultation with the University of Delhi draw up a time bound programme for completion of different stage of the Annual Reports and Audited Accounts. Senior officers in the Ministry and the University should be made responsible to ensure that the documents are completed in all respects and placed before Parliament within the stipulated period of 9 months from the close of the accounting year. The Committee would like to be apprised of the action taken in the matter.
11.	4.6	The Committee note that the Audited Accounts of the North-Eastern Hill University, Shillong for the year 1985-86 were laid on the Table of Lok Sabha after a delay of 11 months and these documents for the subsequent year 1986-87 are still to be laid. The Annual Report and 'Review' were also not laid alongwith the Annual Accounts for the year 1985-86. From the information furnished by the Ministry of Human Resource Development (Department of Education) the Committee find that the delay occurred at the stages of compilation of Accounts and their auditing. It has been further stated that Annual Report and 'Review' could not be laid alongwith the Annual Accounts as the

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Univeristy comprised of 5 different campuses located in far flung areas of three separate states of the region which resulted in delay in collecting returns from these Centres.

12. 4.7 The Committee recommend that the relevant documents should always be laid in time and in order to comply with the requirement of the Ministry concerned should draw up a time schedule for each stage *i.e.* compilation of Annual Accounts, their auditing, submission of audit report by Auditors, convening of appropriate authority for adoption of the documents, translation, printing and laying of Annual reports and Audited Accounts of the University on the Table of the House. The Committee are also of the view that all the relevant documents *i.e.* Annual Report, Audited Accounts, 'Review' should invariably be laid together. The Committee also desire that the Ministry in consultation with the University should streamline the procedure and ensure that the documents are laid before Parliament in time in future.
13. 5.6 The Committee find that delay of about 14 months in laying the Annual Report of Banaras Hindu University for the year 1985-86 occurred mainly due to the fact that there was inordinate delay in compilation of documents and a period of 2 months was taken for placing the Annual Report before the Executive Council. The Committee also note that the annual report for the subsequent year 1986-87 was laid before Parliament with a delay of about 7½ months. However, the Annual Audited Accounts of the University for the year 1986-87 were further delayed and laid on the Table of Lok Sabha only on 21 April, 1988. The Committee have from time to time emphasized that both the Annual Report as also the audited accounts for the period should be laid on the Table simultaneously. All efforts should be made to ensure this.
14. 5.7 The Committee also desire that sincere efforts should be made to ensure that the requisite documents are laid together on the Table of the House within the stipulated period of nine months of the close of the accounting year.
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15.	6.6	<p>The Committee note that the annual report and audited accounts of the National Seeds Corporation Limited, New Delhi for the year ended 31 May, 1987 were laid on the Table of Lok Sabha after a delay of 5½ months. The Committee are unhappy to note that the auditing of accounts which commenced in the month of June/July, 1987 was completed in the month of February, 1988. In this way, a long period of 8 months was taken by the Auditors in completing the audit report. Thereafter, another period of about 2 months was taken by the office of the C&AG, in issuing comments on the final audit report of the Statutory Auditors. The Committee do not wish to apportion blame for delay in compilation and auditing of accounts on different agencies but recommend that the entire time schedule for compilation and processing of accounts and audit report thereon should be carefully reviewed to plug the loopholes, if any. The Committee are interested only in seeing that the documents are placed in Parliament within the stipulated time.</p>
16.	6.7	<p>The Committee are constrained to observe that the Ministry of Agriculture who are administratively responsible for the affairs of the Corporation were in possession of the required documents on 28 April, 1988, but they failed to lay them on the Table of the House in the Budget Session, 1988, which commenced on 22 February and ended on 30 May, 1988. The Committee cannot help expressing their unhappiness over the casual manner in which the Ministry had handled this matter. The Committee trust that the Ministry would be watchful in future to avoid recurrence of such lapses.</p>
17.	7.6	<p>The Committee regret to note that inspite of the close monitoring by the Department of the Public Enterprises, the Annual Reports and Audited Accounts of the Bharat Process and Mechanical Engineers Limited and Weighbird (India) Ltd., Calcutta for the year 1986-87 were laid on the Table of the House after a delay of more than 8 months and these documents for the subsequent year 1987-88 which</p>

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ought to have been laid by 31 December, 1988 are yet to be laid. The Committee also note from the information furnished by the Department of Public Enterprises that the Weighbird (India) Limited took about 11 months in compiling their accounts for 1986-87 as against 3 months prescribed for the purpose. The Committee are not convinced with the justification given by the Department of Public Enterprises that the Company did not have any accountant as the earlier one had left the Company in early 1986 and the post could not be filled up. It is also not clear how 47 days strike resulted in delay of more than 8 months in finalising the Annual Reports and Audited Accounts.

16. 7.7 The Committee are unhappy to observe that knowing fully well that the documents are required to be laid before Parliament within the proscribed time limit of 9 months timely steps were taken by the Company to ensure that accounts were finalised well in time. The position of compilation of accounts of Bharat Process and Mechanical Engineers Limited for the year 1986-87 was not better as they also took about 6 months in compilation of their accounts. The Committee are constrained to observe that at no stage the companies and the Department of Public Enterprises seemed to have made serious efforts to get the Annual Reports and Audited Accounts finalised with expedition.
19. 7.8 The Committee, therefore, recommend that the Department of Public Enterprises should draw up a time schedule for completion of each stage viz. compilation of accounts, their auditing, furnishing of audit report, holding of AGM translation, printing and sending the documents to the Department of Public Enterprises for laying on the Table of the House within the time prescribed by the Committee in para 4.16 of their 22nd Report (5th Lok Sabha)
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COMMITTEE
ON
PAPERS LAID ON THE TABLE
(1988-89)

(EIGHTH LOK SABHA)

TWENTY-FIFTH REPORT

[Presented on 26 April, 1989]



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