

**COMMITTEE
ON
PAPERS LAID ON THE TABLE
(1990-91)**

(NINTH LOK SABHA)

FOURTH REPORT

[Presented on 28 December, 1990]



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 1990/Pausa, 1912 (Saka)

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CORRIGENDA

TO
FOURTH REPORT OF COMMITTEE ON
PAPERS LAID ON THE TABLE (1990-91)

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
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PERSONNEL OF THE COMMITTEE ON PAPERS LAID
ON THE TABLE OF LOK SABHA (1990-91)

- *1. Shri K.C. Tyagi—*Chairman*
2. Shri Bagun Sumbrui
3. Shri L. Balaraman
4. Dr. Bangali Singh
5. Shri R.M. Bhoje
6. Shri Resham Lal Jangde
7. Shri Gulab Chand Kataria
- %8. Shri G. Madegowda
9. Shri Kankar Munjare
10. Shri Nandi Yellaiah
11. Shri Chhedi Paswan
- £12. Shri S. Singaravadaivel
- @13. Shri Pratap Singh
14. Shri P.C. Thomas
15. —

SECRETARIAT

1. Shri S.C. Gupta—*Joint Secretary*
2. Shri K.K. Sharma—*Director*
3. Shri Ram Aūtar Ram—*Assistant Director*

* Appointed Chairman vice Shri Satya Pal Malik resigned on 26 April, 1990.

% Nominated w.e.f. 25.9.1990 vice Shri P.A. Antony resigned from the Committee on 13 September, 1990.

£ Nominated w.e.f. 20.8.1990 vice Shri Ram Lal Rahi resigned from the Committee on 13 August, 1990.

@ Nominated w.e.f. 17.7.1990 vice Shri A.N. Singh Deo resigned from the Committee on 17 May, 1990.

INTRODUCTION

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

2. On examination of certain papers laid on the Table of Lok Sabha during the fourteenth session (Eighth Lok Sabha, Part-I). The Committee have come to certain conclusions in regard to delay in laying (i) Audited Accounts and Audit Report of the National Federation of Industrial Cooperatives Limited; (ii) Annual Report and Audited Accounts of the Council of Scientific and Industrial Research; (iii) Annual Report and Audited Accounts of the Sangeet Natak Academi; (iv) Annual Report and Audited Accounts of Sree Chitra Tirunal Institute for Medical Sciences and Technology, Trivandrum; (v) Annual Report and Audited Accounts of the Institute of Constitutional and Parliamentary Studies, New Delhi. The conclusions of the Committee are embodied in the Report.

3. The Committee considered and adopted this Report at their sitting held on 7th December, 1990.

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

NEW DELHI;
December, 1990
Pausa, 1912 (Saka)

K.C. TYAGI,
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 1985-86.

The Audited Accounts and Audit Report thereon of the National Federation of Industrial Cooperatives Limited, New Delhi for the year 1985-86 which ought to have been laid on the Table of Lok Sabha by 31 March, 1987, were laid on 1 August, 1989 together with 'Review' and delay statement after a delay of 28 months. (The accounting year of the Federation being July to June). The Annual Report for this year had already been laid separately on 24 March, 1987 *i.e.* well within the prescribed time limit of nine months of the close of the accounting year.

1.2. In the delay statement, the reasons for delay in laying the Audited Accounts and Audit Report for 1985-86 were explained as under:—

“The accounts of the Federation are required to be audited by the Statutory Auditors appointed by the Central Registrar of Cooperative Societies.

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 year 1985-86 on 3 June, 1988.

The Statutory auditors could not audit the accounts of the Federation for the year 1985-86 till the audit of the accounts for the year 1984-85 was completed and audit report was available.

The audit report (both English and Hindi versions) in respect of accounts of the Federation for the year 1984-85 which was submitted by the auditors on 12th May, 1988 to the Federation was received in the Ministry on 18th August, 1988.

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 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.

The audit report for the year 1985-86 was submitted by the statutory auditors on 10th February, 1989 to the Federation.

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.

As per provisions of the bye-laws of the Federation read with Section 30 of the Multi-state Cooperative Societies Act, 1984 and Rules thereof (Rule 20), Annual Report/ Audit Report is to be submitted in AGM for consideration. As per the recommendations of the Committee on Papers laid on the Table made in para 3.5 of their report (Fifth Lok Sabha) the Audit Report ought to have been laid on the Table of the House within nine months of the close of the accounting year, accordingly the report for year 1985-86 should have been laid on the Table of the House by March, 1987. In order to obviate any further delay, the audit report for the year 1985-86 is being laid on the Table of the House without its being adopted in AGM."

1.3. The above statement did not fully explain the reasons for delay. The Ministry of Industry (Department of Industrial Development) were therefore, requested to furnish information on certain points. The points and the replies thereto furnished by the Ministry on 18 September, 1989 are as under:—

<i>Points</i>	<i>Replies</i>
I. The dates when —	
(a) C&AG were approached for appointment of Statutory Auditors;	The Central Registrar of Cooperative Societies, who is the appropriate authority, was requested to appoint the Statutory Auditors for audit for the year 1985-86 and 1986-87 on 4th February, 1988.
(b) the Annual accounts were compiled and were ready for being handed over to the Statutory Auditors for Auditing;	The Annual accounts were compiled and were ready for being handedover to the Statutory Auditors on 10th August, 1988.
(c) the accounts were handed over to the Auditors;	The accounts were handed over to the Auditors on 10.8.1988. As the auditors have pointed out some mistakes in the Annual accounts, the revised annual accounts were handed over to the Statutory Auditors in the first week of January, 1989.

Points

- (d) the auditing of accounts commenced and time taken;
- (e) queries, if any, raised by Statutory Auditors;
- (f) queries of the Statutory Auditors resolved;
- (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 Annual General Meeting of the Federation;
- (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/Department;
- (k) delay statement prepared and submitted to the Ministry/Department; and

Replies

The auditing of accounts commenced on 10.8.1988 and the final audit was submitted to the federation on 10.2.1989.

No iterim queries were raised by Statutory Auditors.

Does not arise.

The auditors furnished final Audit Report on 10.2.1989 to the Federation.

The Annual Report for the year 1985-86 was placed before the Annual General Meeting of the Federation held on 27th December, 1986. The Audit Report for the year 1985-86 has so far not been placed before the AGM of the Federartion and it will be placed in the next AGM of the Federation.

The Federation has submitted the English version of the Audit Report for the year 1985-86 on 17.3.1989 and Hindi version of the Report on 31.5.1989. The Federation has therefore, taken about 3 months time in translation etc.

Review Report prepared by the Ministry was submitted alongwith the Annual and Audit Report on 11th March, 1987 and 28th July, 1989 respectively.

Delay statement prepared by the Ministry was submitted alongwith the Audit Report on 28th July, 1989. The Annual Report for the year 1985-86 was submitted in time.

Points

- (1) Annual Report and Audited Accounts together with Review and dealy statement were sent to the Ministry of Industry for laying on the Table of the House.
- II. The latest position of the Annual Reports and Audited Accounts of the National Federation for the years 1987-88 and 1988-89. The documents for the year 1986-87 has since been laid on 14 August, 1989. When the documents for the year 1987-88 and 1988-89 are expected to be placed before Parliament?
- III. The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the National Federation within the stipulated period of nine months from the close of the accounting year, in future.

Replies

The Annual Report was sent to the Ministry vide Federation's letter dated 20th February, 1987. English and Hindi versions of the Audit Report for the year 1985-86 weresent to the Ministry vide NAFIC's letter dated 17.3.1989 and 31.5.1989.

The Statutory Auditors for the year 1987-88 have been appointed by the Central Registrar of Cooperatives. The Central Registrar has been requested by the Federation to appoint Statutory Auditors for the year 1988-89. According to the Federation the audit reports for the years 1987-88 and 1988-89 are likely to be completed in November, 1989 and December, 1989 respectively.

Every efforts will be taken to streamline the procedure to ensure that the Annual accounts/audited reports and Annual Reports are placed before the Parliament within 9 months of the close of the accounting year. The Federation has already been instructed to take every possible efforts to submit the Audit Reports/Annual Reports within the prescribed time limit.

1.4. The matter was considered by the Committee on Papers laid at their sitting held on 17 July, 1990.

1.5. The Committee are unhappy to note that the Annual Report of the National Federation of Industrial Cooperatives Limited, New Delhi for the year 1985-86 was placed before Parliament on 24 March, 1987 and the Audited Accounts and Audit Report thereon together with 'Review' in respect of this year were laid on the Table of the House separately on 1 August, 1989 after a delay of 28 months. In accordance with the recommendations of the Committee on Papers laid contained in para 3.5 of their First Report (Fifth Lok Sabha) presented to Lok Sabha on 8 March, 1976, the Annual Report and Audited Accounts of the Federation should have been presented to Parliament *together* to enable the House to have a complete picture of the working of that body.

1.6. The Committee find from the information furnished by the Ministry

of Industry (Department of Industrial Development) that a period of about 16 months was taken in compilation of accounts and another 6 months were taken by Auditors in auditing the accounts of the Federation for the year 1985-86. The reason adduced by the Ministry of Industry that the Auditors had pointed out some mistakes in the Annual Accounts and the revised annual accounts were handed over to Statutory Auditors in the first week of January, 1989, is hardly convincing. The Committee feel that the Federation have not made any serious efforts to compile their accounts correctly within a reasonable time and get them audited from the Statutory Auditors expeditiously. The Committee expect that the Federation and the Ministry of Industry would ensure that in future the accounts of all their branches are compiled within 3 months of the close of the accounting year; and their auditing, approval by General Body and printing etc. is completed within the next six months as recommended by the Committee in para 3.5 of their First Report (Fifth Lok Sabha). The Committee desire that in order to ensure compliance with the aforesaid recommendation of the Committee, a detailed time schedule should be drawn up for compilation of annual accounts and completion of the other necessary stages under close supervision and watch of the Ministry of Industry.

1.7. The Committee are distressed to note that the Federation is in heavy arrears as its accounts for the subsequent years 1986-87, 1987-88 and 1988-89 have not so far been finalised and laid before Parliament. The Committee recommend that a time bound programme might be chalked out by the Ministry of Industry in consultation with the Federation and audit authorities to clear the arrears of the Annual Reports and Accounts.

CHAPTER II

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH, NEW DELHI FOR THE YEAR 1986-87

The Annual Report and Audited Accounts of the Council of Scientific and Industrial Research, New Delhi for the year 1986-87 which ought to have been laid by 31 December, 1987, were laid after a delay of about 19 months *i.e.* on 7 August, 1989 together with a statement explaining the reasons for delay and the 'Review'.

2.2. In the delay statement, the reasons for delay were explained as under:-

“According to provisions made in Rule 79(iv) of the Rules and Regulations of the Council of Scientific and Industrial Research (CSIR) and recommendations made by the Estimates Committee, Second Lok Sabha in para 21 of their 73rd Report, the Annual Report of CSIR together with Annual Accounts and Audit Report thereon is required to be laid on the Table of the House.

The Committee on Papers laid on the Table has prescribed that these documents should be laid on the Table of the House within 9 months of the close of the year *i.e.* by 31st December of the Calendar year.

According to provisions of Rule 80 of the Rules and Regulations of CSIR, the draft Annual Report of the CSIR for the year 1986-87, the Annual Accounts and the Audit Report thereon for the same year have to be approved by the CSIR Society.

The Audit Certificate from the Director of Audit, Scientific and Commercial Department was received in CSIR on 26th October, 1987. The accounts of the CSIR for the year 1986-87 and Audit Report thereon were approved by the Governing Body at its meeting held on 14th March, 1988. The Annual Report of CSIR for the year 1986-87 was presented to the Governing Body of the CSIR at its meeting held on 4th July, 1988. The Governing Body while considering the report suggested some modifications and decided that the Report after the modifications approved by the DGSIR could be presented to the Society of CSIR. The modifications suggested by the Governing Body were carried out and approved by the DGSIR for placing before the CSIR Society for adoption.

The Society adopted these documents at its meeting held on 24th February, 1989. The Hindi translation of the Report and printing etc. was obviously taken up thereafter. These normal processes have

delayed the laying of the said Accounts before the Parliament. The documents are placed before parliament on 7.8.1989. Hence the delay.”

2.3. The above statement did not fully explain the reasons for delay. The Ministry of Science and Technology was therefore, requested to furnish information on certain points. The points and the replies thereto furnished by the Ministry on 9 November, 1989 were as under:—

<i>Points</i>	<i>Replies</i>
I. The dates when—	
(a) C&AG was approached for appointment of Statutory Auditors;	The Accounts of the Society should be audited annually by the Comptroller and Auditor-General and the Society was to maintain proper accounts and other relevant records and prepare an annual statement of accounts including the balance sheet in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor General of India. Expenditure incurred in connection with the audit of accounts of the Society should be payable by the Society. The Comptroller and Auditor General had entrusted the audit of Accounts of CSIR to the Director of Audit CWM II. Since this was a permanent standing provisions in the Rules and Regulations and Bye-Laws of CSIR, no specific request to Comptroller and Auditor General for appointment of Statutory Auditors was necessary.
(b) Statutory Auditors were appointed by C&AG;	

Points

- (c) The Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing;
- (d) the accounts were handed over to the Auditors;
- (e) the auditing of accounts commenced and the time taken in it;
- (f) queries, if any, raised by Statutory Auditors;
- (g) queries of the Statutory Auditors resolved;
- (h) the Auditors furnished final Audit Report to the Council;
- (i) the Annual Report and Audited Accounts together with the Audit Report were placed before the Annual General Meeting of the Council;

Replies

The due date for submission of annual accounts and balance sheet by CSIR to the Director of Audit was the first of July every year. Annual Accounts for 1986-87 were finalised by CSIR in time and submitted to the Director of Audit on the 1st July, 1987.

The Audit of CSIR accounts was taken up by the Director of Audit immediately and audit was done during the period from 2nd July to 31st August, 1987.

Queries were raised by Audit during the course of audit and these were replied to as far as possible. The draft Report was submitted by the Director of Audit on the 26th October, 1987. Comments of Laboratories/Institutes were called on the various observations made and replies to these observations were furnished to Audit on the 23rd December, 1987 and 31st December, 1987. Final discussion on the Audit Report was held with the Director of Audit in several meetings during January, 1988.

Final Report was submitted by the Director of Audit on the 4th February, 1988.

Audited Accounts together with the Audit Report were placed before the Governing Body of the CSIR at its meeting held on the 14th March, 1988. This was the first meeting of the Governing Body after the receipt of audited accounts and Audit Report. The Governing Body approved the accounts and reviewed the Audit Report. Under Rule 80 of the

Society yearly annual accounts had to be supplied to the members of the Society. Thus after the approval of the accounts by the Governing Body, action had to be taken to get the accounts approved by the Members of the Society. The next meeting of the Society could not be held before the 24th February, 1989. The earlier meeting of Society was held on the 4th February, 1988. A meeting of the Society could have been held during the year 1988. However, there were certain important developments attached to the functioning and role of CSIR (details of these were given in the note). Government had to reconstitute the Governing Body and also the Society and policy guidance and approval to the reconstitution of Governing Body/Society were awaited from the Prime Minister who was also the President of the Society. The Society considered the accounts and audit Report at its meeting held on the 24th February 1989 and approved the accounts and reviewed the audit Report. The proceedings of the meeting of the Society were approved finally by the Prime Minister's Office on the 22nd April, 1989.

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

The Annual Accounts together with Audit Report were given for translation in Hindi on the 22nd April, 1989. Printing and translation took about 90 days.

Points

- (k) the 'Review' report was prepared and furnished to the Ministry/Department;
- (l) delay statement prepared and submitted to the Ministry/Department; and
- (m) Annual Report and Audited Accounts together with Review and delay Statement were sent to the Ministry of Science and Technology for laying on the Table of the House.

Replies

CSIR being an autonomous body Review Report was prepared and submitted to the CSIR Society and not to any Ministry of the Government of India. This review report was submitted to the Society at its meeting held on the 24th February, 1989.

Audited accounts together with Audit Report were laid on the Table of the Lok Sabha on the 7th August, 1989 and the Rajya Sabha on the 8th August, 1989 by the Minister of State for Science and Technology together with a brief note indicating the reasons for delay in submission of the Report.

2.4. The matter was considered by the Committee on Papers laid on the Table at their sitting held on 17 July, 1990.

2.5. The Committee are unhappy to note that the laying of Annual Report and Audited Accounts of the Council of Scientific and Industrial Research, New Delhi for the year 1986-87 was delayed for as long as 19 months. These documents were required to be laid on the Table of the House by 31 December, 1987 i.e. within 9 months after the close of the relevant accounting year but were actually laid on 7 August, 1989 only. The accounts of the Council for the subsequent years i.e. 1987-88 and 1988-89 which were due for laying before Parliament by 31 December, 1988 and 31 December, 1989 respectively, are yet to be laid.

2.6. The Committee regret to note that the compilation of the accounts of the Council for the year 1986-87 was delayed by 6 months after the close of the accounting year. The accounts of the Council were handed over to the Director of Audit on 1st July, 1987 and the final Audit Report was made available on 4th February, 1988. Thus, the Auditors took 7 months to audit the accounts of the Council. A period of 3 months was taken in printing and translating the documents of the Council. The committee feel that the delay which was caused at various stages could have been avoided if a careful watch had been kept both at Council level as also in the Ministry of Science and Technology.

2.7. The Committee recommend that a time bound programme should be drawn up by the Ministry of Science and Technology in consultation with

the Council of Scientific and Industrial Research, New Delhi to ensure that in future the documents are completed in all respects and placed before Parliament within the stipulated period of 9 months of the close of the accounting year.

CHAPTER III

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE SANGEET NATAK AKADEMI, NEW DELHI FOR THE YEAR 1987-88

The Annual Report and Audited Accounts together with Review of the Sangeet Natak Akademi, New Delhi for the year 1987-88 were laid on the Table of Lok Sabha on 10th August, 1989.

3.2. 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 the 31 December, 1988 *i.e.* within 9 months of the close of the accounting year. Thus, the period of delay involved in this case worked out to about 7 months.

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

“The Sangeet Natak Akademi, New Delhi is an Autonomous Organisation fully financed by the Department of Culture. The Annual Report alongwith Audited Accounts for the year 1987-88 were required to be laid on the Table of both the Houses of Parliament, within nine months of the close of the financial year *i.e.* by 31 December, 1988 or in case either House of the Parliament was not in session during that period as soon as the Parliament met. The Annual Report/Audited Accounts for the year 1987-88 could not be laid within the stipulated period as the printed copies of these documents were not received.”

3.4. The Ministry of Human Resource Development (Department of Culture) were requested on 1st September, 1989 to furnish information on certain points. The points on which the information was sought and replies of the Ministry thereto received on 9 January, 1990 were as under:-

<i>Points</i>	<i>Replies</i>
I. The dates when—	
(a) C&AG was approached for appointment of Statutory Auditors;	Statutory Auditors were appointed by the Department of Culture, Government of India.
(b) Statutory Auditors were appointed by C&AG;	-do-

<i>Points</i>	<i>Replies</i>
(c) the Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing;	23-7-1988
(d) the Accounts were handed over to the Auditors for auditing;	23-7-1988
(e) the auditing of accounts commenced and time taken in it;	22 working days (from August 28, 1988 to September 29, 1988).
(f) queries, if any, raised by Statutory Auditors;	Yes, (total 35 audit memos were received).
(g) queries of Statutory Auditors resolved;	Yes. (replies of all the 35 memos received were given).
(h) the Auditors furnished final Audit Report to the Akademi;	9-12-1988
(i) the Annual Report and Audited Accounts together with the Audit Report were placed before the Annual General Meeting of the Akademi;	19-9-1988
(j) Annual Report and Audited Accounts were taken up for translation and printing and time taken in it;	17 days (from October 25, 1988 to November 10, 1988).
(k) the 'Review Report' was prepared and furnished to the Ministry/Department;	N/A
(l) delay statement prepared and submitted to the Ministry/Department; and	7-11-1988

*Points**Replies*

(m) Annual Report and Audited Accounts together with Review and delay statement were sent to the Ministry of Human Resource Development (Department of Culture) for laying on the Table of the House.

16-1-1989

II. The latest position of the Annual Report and Audited Accounts of the Akademi for the year 1988-89. When these are expected to be placed before Parliament.

The Accounts of the Akademi for the year 1988-89 had been audited from July 25, 1989 to August 14, 1989. Audit Report was awaited. The Annual Report of the Akademi had also been compiled and the same would be sent to the Department of Culture before 31 December, 1989.

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

Efforts would be made to ensure submission of Annual Report and Audited Accounts within the stipulated time.

3.5. The matter was considered by the Committee on Papers laid on the Table at their sitting held on 17 July, 1990.

3.6. The Committee are unhappy to note that the Annual Report and Audited Accounts together with delay statement and 'Review' of the Sangeet Natak Akademi, New Delhi for the year 1987-88 were laid on the Table of Lok Sabha on 10th August, 1989 after a delay of about 7 months. In accordance with 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 i.e. 31 December, 1988.

3.7. The Committee observed that the delay had occurred mainly at the stages of auditing of accounts and placing of documents on the Table of the House. The Annual Report and Audited Accounts of the Akademi were received by the Ministry of Human Resource Development (Department of

Culture) from the Akademi on 16.1.1989 for laying on the Table of the House but these documents were actually laid by the Ministry on 10.8.1989. Hence there was undue delay in laying of the documents by the Ministry. The Committee do not find any justification for such a lapse. The Committee feel that had the Ministry taken the matter seriously, the documents could have been laid on the Table of the House much earlier.

3.8. The committee recommend that the Ministry of Human Resource Development (Department of Culture) must ensure that the documents are laid by them on the Table of the House well in time and there should not be any delay on their part in future.

CHAPTER IV

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF SREE CHITRA TIRUNAL INSTITUTE FOR MEDICAL SCIENCES AND TECHNOLOGY, TRIVANDRUM, KERALA FOR THE YEAR 1987-88

The Annual Report and Audited Accounts of the Sree Chitra Tirunal Institute for Medical Sciences and Technology, Trivandrum, Kerala for the year 1987-88 were laid on the Table of Lok Sabha on 31 July, 1989. The Institute is mainly financed by grants from the Government of India. During the year the Institute received a total grant of Rs. 575 lakhs from the Central Government.

4.2. 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, 1988, i.e. within 9 months of the close of the accounting year. Thus, the period of delay involved in the above case come to more than 7 months.

4.3. In this connection, the Ministry of Science and Technology were requested on 11 August, 1989 to furnish information on certain points. Information, so received, on 11 September, 1989 in reply to points, was as under:—

<i>Points</i>	<i>Replies</i>
I. The dates when—	
(a) C&AG/AG Kerala was approached for appointment of Statutory Auditors;	Accounts of the Institute were audited by the Staff of Director of Audit, Commerce, Works and Miscellaneous II as per section 19 of the Sree Chitra Tirunal Institute for Medical Sciences & Technology, Trivandrum Act, 1980.
(b) Statutory Auditors were appointed by C&AG/AG Kerala;	
(c) the Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing;	3-6-1988

<i>Points</i>	<i>Replies</i>
(d) the accounts were handed over to the Auditors;	Forwarded to the Director of Audit Commerce, Works & Miscellaneous II, New Delhi on 15.6.1988 with copy to the Resident Audit Officer, VSSC, Thumba, Trivandrum
(e) the auditing of accounts commenced and the time taken in it;	20-6-1988 to 9-7-1988
(f) queries, if any, raised by Statutory Auditors;	27-6-1988 to 9-7-1988
(g) queries, Statutory Auditors resolved;	1-7-1988 to 12-7-1988
(h) the Auditors furnished final Report to the Institute;	6-12-1988 (Received in the Institute on 14-12-1988).
(i) The Annual Report and Audited Accounts together with the Audit Report were placed before the Annual General Meeting of the Institute;	17-3-1989
(j) Annual Report and Audited Accounts were taken up for translation and printing and time taken in it;	18-3-1989 to 19-5-1989 (Accounts forwarded to DST on 20-5-1989).
II. The Ministry have not laid the delay statement along with the Annual Report and Audited Accounts of the Institute. The Ministry may state the reasons therefor.	Omission regretted. Noted for future.

*Points**Replies*

III. The latest position of the Annual Report and Audited Accounts of the Institute for the year 1988-89. When these are expected to be placed before the Parliament?

Since laid on 28-5-1990.

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

The Institute had stated that the Director of Audit would be requested to furnish the Audit Certificate as early as possible. Efforts would also be made to reduce the time for translation and printing of the accounts and to send the accounts within the time stipulated.

4.4. The matter was considered by the Committee on Papers laid on the Table at their sitting held on 30 July, 1990.

4.5. The Committee feel concerned to note that the Annual Report and Audited Accounts of the Sree Chitra Tirunal Institute for Medical Sciences and Technology, Trivandrum for the year 1987-88 which, in accordance with recommendations of the Committee made from time to time ought to have been laid before Parliament by 31 December, 1988 i.e. within 9 months of the close of the accounting year, were actually laid on 31 July, 1989. Thus, there was a delay of more than 7 months. The Committee also observe that the documents of the Institute for the subsequent year 1988-89 which were due for laying on the Table of the House by 31 December, 1989 were laid on 28 May, 1990 i.e. after a delay of about 5 months. What is more regrettable is, that Government did not lay even the Statement giving reasons for delay while laying these documents.

4.6. The Committee find from the information furnished by the Ministry of Science and Technology that the delay took place in auditing of accounts and furnishing of Audit Report by Auditors to the Institute. The Committee note that as a corrective measure, for future, the Ministry have asked all the Institutions under them to furnish their Annual Reports and Audited Accounts to them within the stipulated time frame to enable them to place the documents before Parliament without any delay. They have also regretted the omission in not laying the Statement giving reasons for delay.

4.7. The Committee recommend that the Ministry should ensure that in future, the Annual Reports and Audited Accounts of the Institution are laid on the Table of the House within the time prescribed by the Committee.

CHAPTER V

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE INSTITUTE OF CONSTITUTIONAL AND PARLIAMENTARY STUDIES, NEW DELHI FOR THE YEAR 1987-88

The Annual Report and Audited Accounts of the Institute of Constitutional and Parliamentary Studies, New Delhi, for the year 1987-88 were laid on the Table of Lok Sabha on 11 August, 1989 alongwith a copy of delay statement.

5.2. In terms of the recommendation of the Committee on Papers laid on the Table made in paragraph 4.16 of their Second Report (Fifth Lok Sabha), these documents were required to be laid on the Table of Lok Sabha by 31 December, 1988, *i.e.* within 9 months of the close of the accounting year. Thus, the period of delay involved in the above case come to more than 7 months.

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

“According to the recommendations of the Committee on Papers laid on the Table (1977-78, Sixth Lok Sabha) in their second report, the duly audited annual accounts of the various bodies/institutions to which grants-in-aid are made by the Government to the tune of Rs. 5 lakhs or more per annum, are to be laid on the Table of both Houses of Parliament within 9 months of the close of the financial year of the grantee institution.

The Ministry sanctioned a grant-in-aid of Rs. 6.40 lakhs to the Institute of Constitutional and Parliamentary Studies, New Delhi during the year 1987-88. The Financial year of the Institute for 1987-88 closed on 31.3.1988. The Institute submitted the required number of copies of their Annual Report/Audited Accounts on 6th December, 1988.

On a review of the annual accounts of the Institute, certain discrepancies were noticed in the accounts and these were taken up with the Institute for clarification and remedial action, where necessary. The Institute clarified these points on 15th February, 1989. These clarifications were examined and suitable instructions were also issued to the Institute where necessary.

Also, certain minor defects were noticed in the Hindi version of the Annual Report which were pointed out to the Institute for necessary

remedial action. The revised report was submitted by the Institute only on 17.7.1989 to the Department.

In view of the circumstances mentioned above, there has been some unavoidable delay in laying the Report on the Table of the House.”

5.4. In this connection, the Ministry of Law and Justice were requested on 7 September, 1989 to furnish information on certain points. Information, so received, on 5 October, 1989 in reply to points, was as under:—

<i>Points</i>	<i>Replies</i>
I. The dates when—	
(a) C&AG was approached for appointment of Statutory Auditors;	The accounts of the Institute were audited by private auditors appointed by the General Body of the Institute in terms of rule 25(c) of the Memorandum of Association and Rules.
(b) Statutory Auditors were appointed by C&AG;	
(c) the Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing;	25.10.1988
(d) the accounts were handed over to the Auditors;	1.11.1988
(e) the Auditing of accounts commenced and the time taken in it;	1.11.1988 to 10.11.1988 10 days.
(f) queries, if any, raised by Statutory Auditors;	The queries raised by the Auditors were resolved through mutual discussions and consultations.
(g) queries of the Statutory Auditors resolved;	
(h) the Auditors furnished final report to the Institute;	22.11.1988
(i) the Annual Report and Audited Accounts together with the Audit Report were placed before the Annual General Meeting of the Institute.	Meeting of the General Body was not held.

Points

- (j) Annual Report and Audited Accounts were taken for translation and printing and time taken in it;
- (k) the 'Review' Report was prepared and furnished to the Ministry/Department;
- (l) delay statement prepared and submitted to the Ministry/Department.
- (m) Annual Report and Audited Accounts together with Review and delay statement were sent to the Ministry of Law and Justice for laying on the Table of the House;

Replies

Immediately after the final report was received from the Auditors on 22.11.1988.

The Institute did not prepare any review report and the same was prepared by the Ministry, if found necessary by them.

The delay statement was also prepared by the Ministry wherever necessary.

As had been the practice all along 60 cyclostyled copies of the Institute's Annual Report and its audited accounts for the year 1987-88 in both versions (in Hindi and English) were sent to the Ministry of Law and Justice under letter No. 1268 dated 6.12.1988. The Ministry had on receipt sought certain clarifications and suggested certain remedial action in respect of some minor discrepancies. This was attended to promptly and reply was furnished to the Ministry on 15.2.1989. In the first week of April, the Ministry desired to have material in printed form. The Institute got the Annual Report and audited accounts printed (both in English and Hindi) and supplied them to the Ministry under letter No. 1091 dated May 8, 1989. On the Ministry returning the material on May 22, 1989 pointing out certain inaccuracies in the Hindi version of the Report, the needful was done and the revised version got reprinted and the entire material.

*Points**Replies*

II. The latest position of the Annual Report and Audited Accounts of the Institute for the year 1988-89. When these are expected to be placed before Parliament?

resubmitted to the Ministry of Law and Justice under letter No. 1241 dated 17.7.89.

The audit of the accounts were in progress. It was expected that it would be completed and the report received from the auditors by the first week of October, 1989. It was proposed to take the further steps and send the printed copies of the Annual Report and audited accounts to the Ministry by the middle of November, 1989.

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

The circumstances in which the laying of the report in respect of 1987-88 got delayed have been explained in answer to Sl. No. 1(m). The delay had occurred because of the peculiar circumstances explained above. Steps have been taken to avoid any delay in future.

5.5. The matter was considered by the Committee on Papers laid on the Table at their sitting held on 30 July, 1990.

5.6. The Committee note that the Annual Report and Audited Accounts of the Constitutional and Parliamentary Studies, New Delhi for the year 1987-88 were laid on the Table of the House after a delay of more than 7 months. The Committee further observe that the said documents of the Institute for the subsequent year 1988-89 which were required to be laid by 31 December, 1989, have not yet been laid. The delay in laying of the documents for the year 1987-88 on the Table of the House occurred at the level of the Ministry of Law and Justice which took inordinately long time of about 6 ½ months in laying the documents after their receipt from the Institute. The Committee are also unhappy to find that these documents of the Institute were laid on the Table of Lok Sabha without being considered and adopted by the Annual General Body of the Institute. The Committee are of the view that this was quite irregular and not in keeping with the norms of the established procedure. It is a serious lapse on the part of the Institute and such lapses should not be allowed to recur in future.

5.7. The Committee recommend that in future, the Ministry of Law and Justice should ensure that there is no undue delay in laying the documents on the Table of the House after these are received by them from the

Institute. The Committee also recommend that the Annual Report and Audited Accounts of the Institute should invariably be get adopted by the Annual General Body Meeting of the Institute before placing them on the Table of the House.

NEW DELHI;
December, 1990

Pausa, 1912 (Saka)

K. C. TYAGI
Chairman,
Committee on Papers laid on the Table.

APPENDIX

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.	1.5	<p>The Committee are unhappy to note that the Annual Report of the National Federation of Industrial Cooperatives Limited, New Delhi for the year 1985-86 was placed before Parliament on 24 March, 1987 and the Audited Accounts and Audit Report thereon together with 'Review' in respect of this year were laid on the Table of the House separately on 1 August, 1989 after a delay of 28 months. In accordance with the recommendations of the Committee on Papers Laid contained in para 3.5 of their First Report (Fifth Lok Sabha) presented to Lok Sabha on 8 March, 1976, the Annual Report and Audited Accounts of the Federation should have been presented to Parliament <i>together</i> to enable the House to have a complete picture of the working of that body.</p>
2.	1.6	<p>The Committee find from the information furnished by the Ministry of Industry (Department of Industrial Development) that a period of about 16 months was taken in compilation of accounts and another 6 months were taken by Auditors in auditing the accounts of the Federation for the year 1985-86. The reason adduced by the Ministry of Industry that the Auditors had pointed out some mistakes in the Annual Accounts and the revised annual accounts were handed over to Statutory Auditors in the first week of January, 1989, is hardly convincing. The Committee feel that the Federation have not made any serious efforts to compile their accounts correctly within a reasonable time and get them audited from the Statutory Auditors expeditiously. The Committee expect that the Federation and the</p>

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Ministry of Industry would ensure that in future the accounts of all their branches are compiled within 3 months of the close of the accounting year and their auditing, approval by General Body and printing etc. is completed within the next six months as recommended by the Committee in para 3.5 of their First Report (Fifth Lok Sabha). The Committee desire that in order to ensure compliance with the aforesaid recommendation of the Committee, a detailed time schedule should be drawn up for compilation of annual accounts and completion of the other necessary stages under close supervision and watch of the Ministry of Industry.

3. 1.7 The Committee are distressed to note that the Federation is in heavy arrears as its accounts for the subsequent years 1986-87, 1987-88 and 1988-89 have not so far been finalised and laid before Parliament. The Committee recommend that a time bound programme might be chalked out by the Ministry of Industry in consultation with the Federation and audit authorities to clear the arrears of the Annual Reports and Accounts.
4. 2.5 The Committee are unhappy to note that the laying of Annual Report and Audited Accounts of the Council of Scientific and Industrial Research, New Delhi for the year 1986-87 was delayed for as long as 19 months. These documents were required to be laid on the Table of the House by 31 December, 1987 i.e. within 9 months after the close of the relevant accounting year but were actually laid on 7 August, 1989 only. The accounts of the Council for the subsequent years i.e. 1987-88 and 1988-89 which were due for laying before Parliament by 31 December, 1988 and 31 December, 1989 respectively, are yet to be laid.
5. 2.6 The Committee regret to note that the compilation of the accounts of the Council for the year 1986-87 was delayed by 6 months after the close of the accounting year. The accounts of the Council were handed over to the Director of Audit on 1st July, 1987 and the final Audit Report was made available on 4th February,
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1988. Thus, the Auditors took 7 months to audit the accounts of the Council. A period of 3 months was taken in printing and translating the documents of the Council. The committee feel that the delay which was caused at various stages could have been avoided if a careful watch had been kept both at Council level as also in the Ministry of Science and Technology.

6. 2.7 The Committee recommend that a time bound programme should be drawn up by the Ministry of Science and Technology in consultation with the Council of Scientific and Industrial Research, New Delhi to ensure that in future the documents are completed in all respects and placed before Parliament within the stipulated period of 9 months of the close of the accounting year.
7. 3.6 The Committee are unhappy to note that the Annual Report and Audited Accounts together with delay statement and 'Review' of the Sangeet Natak Akademi, New Delhi for the year 1987-88 were laid on the Table of Lok Sabha on 10th August, 1989 after a delay of about 7 months. In accordance with 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 i.e. 31 December, 1988.
8. 3.7 The Committee observed that the delay had occurred mainly at the stages of auditing of accounts and placing of documents on the Table of the House. The Annual Report and Audited Accounts of the Akademi were received by the Ministry of Human Resource Development (Department of Culture) from the Akademi on 16.1.1989 for laying on the Table of the House but these documents were actually laid by the Ministry on 10.8.1989. Hence there was undue delay in laying of the documents by the Ministry. The Committee do not find any justification for such a lapse. The Committee feel that had the Ministry taken the matter seriously, the documents could have been laid on the Table of the House much earlier.
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9. 3.8 **The Committee recommend that the Ministry of Human Resource Development (Department of Culture) must ensure that the documents are laid by them on the Table of the House well in time and there should not be any delay on their part in future.**
10. 4.5 **The Committee feel concerned to note that the Annual Report and Audited Accounts of the Sree Chitra Tirunal Institute for Medical Sciences and Technology, Trivandrum for the year 1987-88 which, in accordance with recommendations of the Committee made from time to time ought to have been laid before Parliament by 31 December, 1988 i.e. within 9 months of the close of the accounting year, were actually laid on 31 July, 1989. Thus, there was a delay of more than 7 months. The Committee also observe that the documents of the Institute for the subsequent year 1988-89 which were due for laying on the Table of the House by 31 December, 1989 were laid on 28 May, 1990 i.e. after a delay of about 5 months. What is more regrettable is, that Government did not lay even the Statement giving reasons for delay while laying these documents.**
11. 4.6 **The Committee find from the information furnished by the Ministry of Science and Technology that the delay took place in auditing of accounts and furnishing of Audit Report by Auditors to the Institute. The Committee note that as a corrective measure, for future, the Ministry have asked all the Institutions under them to furnish their Annual Reports and Audited Accounts to them within the stipulated time frame to enable them to place the documents before Parliament without any delay. They have also regretted the omission in not laying the Statement giving reasons for delay.**
12. 4.7 **The Committee recommend that the Ministry should ensure that in future, the Annual Reports and Audited Accounts of the Institution are laid on the Table of the House within the time prescribed by the Committee.**
13. 5.6 **The Committee note that the Annual Report and Audited Accounts of the Constitutional and Parliamentary Studies, New Delhi for the year 1987-88 were laid on the Table of the House after a delay of more than 7 months. The Committee further observe that the said**
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documents of the Institute for the subsequent year 1988-89 which were required to be laid by 31 December, 1989, have not yet been laid. The delay in laying of the documents for the year 1987-88 on the Table of the House occurred at the level of the Ministry of Law and Justice which took inordinately long time of about 6½ months in laying the documents after their receipt from the Institute. The Committee are also unhappy to find that these documents of the Institute were laid on the Table of Lok Sabha without being considered and adopted by the Annual General Body of the Institute. The Committee are of the view that this was quite irregular and not in keeping with the norms of the established procedure. It is a serious lapse on the part of the Institute and such lapses should not be allowed to recur in future.

14. 5.7

The Committee recommend that in future, the Ministry of Law and Justice should ensure that there is no undue delay in laying the documents on the Table of the House after these are received by them from the Institute. The Committee also recommend that the Annual Report and Audited Accounts of the Institute should invariably be got adopted by the Annual General Body Meeting of the Institute before placing them on the Table of the House.
