

**C O M M I T T E E**  
**ON**  
**PAPERS LAID ON THE TABLE**  
**(1977-78)**

**(SIXTH LOK SABHA)**

**SIXTH REPORT**

*(Presented on 11th May, 1978)*



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*May, 1978/Vaisakha, 1900 (Saka)*

*Price : Rs. 2.50*

8.546

CORRIGENDA  
TO

SIXTH REPORT OF COMMITTEE ON PAPERS  
LAID ON THE TABLE

(Presented on 11.5.1978)

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COMPOSITION OF THE COMMITTEE ON PAPERS  
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(1977-78)

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SECRETARIAT

Shri K. K. Saxena—*Chief Examiner of Bills and Resolutions.*

Shri N. N. Mehra—*Senior Table Officer.*

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\*Nominated w.e.f. 20-2-1978 *vice* Shri Zulfiqarulla resigned from the Committee.

## INTRODUCTION

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

2. On examination of certain papers laid during the Seventeenth and Eighteenth Sessions (Fifth Lok Sabha) and Second Session (Sixth Lok Sabha), the Committee have come to certain conclusions in regard to delay in laying of (i) Audit Reports and Annual Administration Reports of the Delhi Development Authority; and (ii) Annual Reports of the Central Fisheries Corporation Limited.

3. On the 7th November, 1977, the Committee took evidence of the representatives of the Ministries of Works and Housing and Finance regarding delay in laying Audit Reports and Annual Administration Reports of the Delhi Development Authority.

4. The Committee wish to express their thanks to the Ministries of Works and Housing and Finance for furnishing information desired by the Committee.

5. The Committee considered and adopted this Report at their sitting held on the 9th May, 1978.

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

NEW DELHI;  
May 9, 1978.  

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Vaisakha 19, 1900 (Saka).

KANWAR LAL GUPTA,  
*Chairman,*  
*Committee on Papers laid on*  
*the Table.*

## CHAPTER I

### DELAY IN LAYING AUDIT REPORTS AND ANNUAL ADMINISTRATION REPORTS OF THE DELHI DEVELOPMENT AUTHORITY

The Audit Report for 1971-72 and the Annual Administration Report for 1974-75 of the Delhi Development Authority were laid on the Table of Lok Sabha on the 23rd August, 1976 without statements showing reasons for delay in laying the documents and 'Review' on the working of the Authority. Sections 25 and 26 of the Delhi Development Act, 1957 which provide for laying of these documents read as under:

"25. (1) The Authority shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the balance-sheet in such form as the Central Government may by rules prescribed in consultation with the Comptroller and Auditor-General of India.

\* \* \* \*

(4) The accounts of the Authority as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded *annually* to the Central Government and that Government shall cause a copy of the same to be laid before both Houses of Parliament.

26. The Authority shall prepare for every year a report of its activities during that year and submit the report to the Central Government in such form and or before such date as may be prescribed by rules, and that Government shall cause a copy of the report to be laid before both Houses of Parliament."

1.2. As regards framing of rules under section 25(1) of the Delhi Development Act, 1957 regarding preparation of Annual statement of accounts, the Ministry of Works and Housing in their O.M. dated 7th December, 1976 stated as under:

"The draft Budget and Accounts Rules framed under section 25 of the Delhi Development Act 1957, stand referred to

the Ministry of Law and Justice and is pending approval by them."

1.3. Rule 5 of the Delhi Development (Miscellaneous) Rules, 1959, framed under section 26 of the Delhi Development Act, 1957 regarding preparation of the Annual Administration Report reads as under:

"After the close of each financial year the Authority shall prepare and submit to the Central Government not later than the 31st October, next following a report of its activities during such year. The Report shall, as far as practicable, be compiled in the following chapters."

1.4. On being asked to explain the reasons for delay in laying the Audit Report on the accounts of the Authority for the year 1971-72, the Ministry of Works and Housing in their O.M. dated 12th October, 1976 *inter alia* stated:

"No due date for the submission of annual accounts to Audit (AGCR) has been prescribed.

DDA has reported that the accounts were submitted to the Audit Party of the AGCR in October, 1972.

The Audit Report on accounts of the DDA was received by the Ministry on the 5th June 1975 and forwarded to DDA on the 12th June, 1975.

Copies of the Audit Report for 1971-72 were not made available by the DDA to the Ministry in 1973. Hence the same could not be placed along with the Annual Administration Report on the Table in that year. It may be pointed out here that preparation of accounts is a time consuming process.....The audit also takes time to furnish certificate in respect of the accounts. However, efforts are always made to expedite the process as far as possible."

1.5. When asked to explain the reasons for delay in laying the Audit Report for 1973-74 which was laid on 26-6-1977 without showing reasons for delay in laying statement, the Ministry of Works and Housing, in their O.M. dated 12-8-1977, stated:

"The annual accounts of the DDA for the year 1973-74 were submitted by the Authority to the inspection party of the AGCR for audit and clarification in December, 1974.



Though no date as such have been laid down for closing the Annual Accounts these are generally finalized in October to December annually. The delay in completing the accounts by the DDA occurred because of the volume of work that was involved in the reconciliation of facts and figures and carrying out of adjustment of the entries. The draft Audit Report was received from the AGCR in 1974 for the acceptance of the facts and figures by the DDA as also its comments. Some time was taken up by the DDA in verification of facts and figures and obtaining comments from various Branches within the DDA. Consequently, the Authority was able to furnish complete comments only in June, 1976 and not earlier. The certified copy of the Audit Report for the year 1973-74 from the AGCR in English and Hindi versions was received by the DDA on 11-1-1977 and 17-3-1977 respectively."

1.6. As regards reasons for not laying the statement showing the reasons for delay along with the Audit Report, the Ministry of Works and Housing in their O.M. dated 12th October, 1976 and 12th August, 1977 have *inter alia* stated:

"No time limit for laying the Audit Report on the Table of the Houses has been prescribed in the Delhi Development Act, 1957, as the same does not fall under the categories of Rules, Regulations or Act. Besides, no delay statements were laid during the previous years when Audit Reports were laid on the Table of the Lok Sabha.

.....no such delay statement was called for either by Lok Sabha or Rajya Sabha in respect of the Audit Reports for the previous years when they were laid on the Table of the Houses although there was delay in laying them....."

1.7. The Committee note that instructions had been issued by the Lok Sabha Secretariat to all the Ministries/Departments of the Government of India as early as in 1962 and repeated from time to time that "wherever there is undue delay in laying a document (including the statutory rules etc.) on the Table of the House, the concerned Minister should also arrange to lay on the Table, along with such documents a statement giving reasons for the delay".

1.8. The position with regard to the Audit Reports for the years 1971-72 to 1974-75, as intimated by the Ministry of Works and

Housing, is as under:

Audit Report	Date of submission of accounts to audit	Date of receipt of audit report from AGCR	Laid on the Table of House
1971-72 . . . . .	October 1972	5-6-1975	23-8-1976
1972-73 . . . . .	September, 1973	30-6-1976	29-10-1976
1973-74 . . . . .	December, 1974	11-1-1977	20-6-1977
1974-75 . . . . .	December, 1975	17-3-1977	1-8-1977

1.9. When asked about the reasons for delay in laying the Annual Administration Report for 1974-75 on the Table of the House, the Ministry of Works and Housing *inter alia* stated:

“DDA has stated that it took time for material to be collected from the various Branches as the latter were engaged at that time on the work/activities of urgent nature. As such the Authority could not adhere to time schedule.”

1.10. As regards the reasons for not laying the delay statement along with the Annual Administration Report, the Ministry of Works and Housing have stated:

“No time limit for laying the Annual Administration Report on the Table of the Houses has been prescribed as the same does not fall under the categories of Rules regulations or Act. Besides, no delay statements were laid during the previous years when Administration Reports were laid on the Table of the Houses.”

1.11. The position with regard to the Annual Administration Reports for the years 1971-72 to 1974-75, as intimated by the Ministry

of Works and Housing, is as under:

Annual Admn. Report	Due date of submission by D.D.A. to Govt.	Date when report was submitted to Government	Laid on the Table of the House.
1971-72	31-10-1972	18-4-73	7-5-73
1972-73	31-10-1973	30-3-74	29-4-74
1973-74	31-10-1974	8-5-75	21-7-75
1974-75	31-10-1975	5-6-76	23-8-76

1.12. When asked whether any review on the working of the Authority was made on receipt of the Annual Administration Report, the Ministry of Works and Housing have stated:

“No review was made. A Committee of Experts was set up by the Government in 1974 for assessing the work done by the Delhi Development Authority and to find out how far it has achieved the objectives for which it was set up. The recommendations are under examination and a procedure for review would be evolved.”

1.13. When asked as to the action taken on the recommendation of the Committee made in para 3.5 of First Report (Fifth Lok Sabha)—presented to Lok Sabha on 8-3-1976—regarding submission of the Reports within nine months from the close of the accounting year, the Ministry have stated:

“Attention of the Finance Member, DDA, was drawn to the observation made in Para 3.5 for strict compliance. He in turn issued comprehensive instructions to all the concerned officers in the DDA on 5-2-1977 for necessary action.

The Ministry proposes to issue further instructions to ensure that audited accounts of the DDA are presented to Parliament within a period of 9 months from the close of the accounting year.”

1.14. To seek further clarifications the Committee took evidence of the representatives of the Ministry of Works and Housing, Ministry of Finance and Delhi Development Authority at their sitting

held on 7th November, 1977 in regard to delay in laying Audit Reports and Annual Administration Reports of the Delhi Development Authority.

1.15. On being asked if prior to setting up of the DDA there was a provisional Authority, the representative of the Ministry of Works and Housing first stated that there was the Delhi Improvement Trust but when pressed further for correct information he confirmed that there was a provisional Delhi Development Authority prior to DDA. Subsequently in a written note dated the 24th November, 1977 the Committee were informed that an Authority called the Delhi Development Provisional Authority was constituted by the Central Government under the provisions of the Delhi (Control of Building Operations) Act, 1955.

1.16. On enquiry whether Section 25(1) of the Delhi Development Act, 1957 was there in the original Act or it was included in the Act later on, the witness informed that this Section was there in the original Act itself. He also informed the Committee that there was a link between this section and section 56 which gave the Central Government authority to frame rules. On his attention being drawn to the Ministry's letter dated 7th December, 1976 wherein it was stated 'the draft Budget and Accounts Rules framed under Section 25 of the Delhi Development Act, 1957 stand referred to the Ministry of Law and Justice and are pending approval by them' the witness replied "Before I give the present position, I must apologise and clear one impression. Of course, this reply gave the position as on date about certain rules which were under framing. But this may create the impression that all these years the Authority functioned without rules. That is not correct. I think our people should have volunteered the information because rules were framed under the Act. DDA (Maintenance of Current Account) Rules were framed in 1959. DDA (Preparation of Budget) Rules were framed in 1960. DDA (Preparation of Annual Accounts) Rules were framed in 1964."

1.17. Referring to the provisions of Section 25(1) of the Act the Committee enquired if there was any provision in the Act itself or in the rules as to when the accounts were to be audited, the witness replied that "so far as Audited Accounts are concerned the Act only says that after the close of the financial year, the Annual Accounts will be prepared and these will be subject to Audit annually." The representative of the Ministry of Finance, however, informed the Committee that DDA was virtually treated as any other Government Department. Explaining further the witness explained that 'between

July and December the transactions of DDA are audited by the local Audit. They also send out inspection parties for carrying out—what may be called propriety Audit in the larger sense of the term. In such an Audit, Inspection Reports are issued to the DDA. DDA considers the Inspection Reports and furnishes clarifications to the Audit. This process takes time. When asked if there was any rule or law to substantiate that DDA was a part of the Government, the witness drew attention of the Committee to the provisions of Section 25(2) which provides:

“The accounts of the Authority shall be subject to audit annually by the Comptroller and Auditor-General of India and any expenditure incurred by him in connection with such audit shall be payable by the Authority to the Comptroller and Auditor-General of India.”

1.18. The Committee desired to know whether their presumption was correct that the accounts of the Authority should be audited as laid down in Section 25(2) of the Act and whether Government had framed rules under Section 56 and if so, what were the details of those rules which had been referred by the Ministry of Works and Housing to the Ministry of Law and Justice for approval particularly of the rule regarding keeping of accounts, audit etc. In reply the representative of the Ministry of Works and Housing stated:

“It only says that the Annual Accounts shall be submitted to the Accountant General, Central Revenues, who will certify the same and forward it to the Government along with his audit Report thereon. A copy of the certified accounts and Audit Report may be obtained from the Government but it shall be used strictly for departmental purposes and must not be made public or shown to any non-official till completed, the certified accounts and the Audit Report shall be laid before the Authority alongwith comments on the various points contained in the Audit Report.

The rule further says—

The Authority may, in consultation with the Audit Officer modify, add or delete any of the budget and accounts forms and/or change the dates prescribed for submission of various returns/reports relating thereto.”

1.19. On being pointed out that Government had taken almost 20 years, since 1957, to frame rules for laying the Audit Report, the

representative of the Ministry stated that "the provision is that this rule-making power has to be exercised by the Central Government after consultation etc., and this is to be published in the Official Gazette. There were three Notifications in 1959, 1960, 1964. This did not cover audit para of it. How audit will be done how long it will take how it will be laid—these things are not covered in the original rules."

1.20. When pointed out that a draft containing 107 rules which has been referred to the Ministry of Law & Justice now should have been referred right at the beginning (sometime in 1957 or soon thereafter) the Vice-Chairman of the Delhi Development Authority stated that Section 25(4) lays down the procedure for causing the certified accounts and the Audit Report to be laid before both Houses of Parliament. On being pointing out further that the rules under Section 25(1) had not been prescribed, the witness stated that 'Section 26 and the rules framed in respect it lay down the procedure and time schedules.' The representative of the Ministry of Finance however, informed the Committee:

".....so far as Audit is concerned, we can certainly come to an arrangement with them regarding the time-limits within which the audit comments may be made available to us."

1.21. On being probed further the witness informed the Committee that the rules had been referred to Finance in October, 1977. He agreed with the Committee that steps should have been taken much earlier.

1.22. When enquired whether the preparation of accounts came under Article 151 of the Constitution, the representative of the Ministry of Finance stated:

"About the audit, it is like this. It is like the judiciary an independent authority. As I said, we are interested in ensuring that the submission of the certified annual accounts to the Ministry or, through the Ministry, to Parliament is not delayed.

I want into this question. If this Committee also agrees with that approach of mine. I shall take it up with the C&AG. And I shall ask him whether we can first present along with the administrative report a certified statement of

annual accounts of the Government of India. . . . If these two are de-linked, then this delay which is noticed to-day can to a considerable extent, be avoided because scrutiny and certification of annual accounts are relatively simpler and less time consuming matter.

This is a suggestion which we can take up with the C & AG without delay. In regard to scrutiny by audit and suggestions received from the C & AG on DDA and the issues raised by them these should be replied to the complete satisfaction of the C&AG so that there is no delay."

1.23. Referring to the 1971-72 Audit Report which was laid on the Table of Lok Sabha on 23-8-1976 the Committee asked whether this inordinate delay in laying the Audit Report was justified. The representative of the Ministry of Finance stated that it is indefensible. This delay ought not occur. I do not think these delays can be defended'.

1.24. Explaining the various stages through which the Audit Report for 1971-72 passed and the reasons which contributed towards delay in laying the Audit Report, the representative of the Ministry of Works & Housing stated that 'the accounts of the DDA were made available to the audit in October, 1972. The draft audit report was given by the audit on 10-10-1973. Then on the draft audit report DDA was to furnish the comments. The comments were furnished in two instalments—first on 27-4-1974 and the second on 11-6-1974. The audit asked for further information on these comments on 27-6-1974. Then further comments were furnished on 17-1-1975 by DDA. The final report was received in the Ministry on 5-6-1975. Then when the Ministry receives the report it sends it to DDA. We sent it on 12-6-1975. After that DDA looks into it and gets the copy of the report translated and Hindi version is cyclo-styled.'

In reply to a question the witness stated that the English version was ready on 10-9-1975 and Hindi version on 19-6-1976.

1.25. In a written note (Appendix-I) dated the 24th November, 1977 the Ministry of Works and Housing furnished details indicat-

ing the stages at which the Audit Report of the DDA for 1971-72 was processed as under:

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Draft Audit Report received by the DDA	. 10-10-1973
Comments furnished by the DDA to AGCR	. . . . . & 27-4-74 & 11-6-74
Further information asked by the AGCR	. 27-6-74
Information furnished to AGCR	. . . . . 17-1-75
Final Report received by the Ministry of Works and Housing	. . . . . 5-6-75
Sent to the D.D.A. For printing	. . . . . 12-6-75
Hindi Version of the Accounts sent to AGCR on	. . . . . 23-1-76
Hindi version verified by AGCR	. . . . . 22-4-76
Hindi version sent to the DDA	. . . . . 3-5-76
Printed copies of both English and Hindi versions received by the Ministry from DDA.	. . . . . 18-6-76
Sent to Parliament	. . . . . 16-8-76

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1.26. Referring to the observations made by Audit in the Audit Reports 'we have examined the accounts.....subject to the observations in the Audit Report appended' the Committee asked about the nature of those observations. The witness replied that 'the audit observations are contained in the first four pages which can be taken as appended report; it is here in the 1974-75 report. The more serious audit objections could appear as audit paras in the audit report on Civil Accounts'.

1.27. Quoting from the Audit Report for 1971-72 that observations contained in 549 paragraphs of 89 Inspection Reports issued upto 31st March, 1972 were outstanding as on January, 1975, the Committee desired to know the reasons for this great backlog. Explaining the position the representative of the Ministry of Finance stated:

"You are right because this is what C & AG has said. In fact, we have given instructions that these Audit Reports should receive attention at the hands of the senior executives/officials of the authority concerned. They should hold periodical meetings with their Engineers and others and some of these objections could relatively be easily met



if the senior officers apply their mind and send their replies early."

1.28. In this connection, in a subsequent note (Appendix-II) dated the 15th November, 1977 the representative of Ministry of Finance (Department of Expenditure) who appeared before the Committee for giving evidence has *inter alia* stated:

"During discussion at the sitting of the Committee on Papers Laid on the 7th November, 1977, I was required to report in writing to the Committee on the following aspects:—

- (a) In regard to the audit certificate on the accounts of the Delhi Development Authority which referred to "the observations in the Audit Report appended", it was enquired:
  - (i) whether the observations referred to in the Audit Report on the accounts were those which appear in the Audit Report printed along with accounts for presentation to the Parliament;
  - (ii) whether serious irregularities/improprieties were also brought out in any other report of the Comptroller and Auditor General of India.

In regard to (a) (i) it may be mentioned that the audit of the DDA is carried out by the A.G.C.R. Local inspection parties from A.G.C.R. inspect the accounts of the various Works Divisions and other Units of the Authority and cover all of them during the course of a year. Irregularities which come to the notice of the Audit party are brought by them to the notice of the officers of the DDA in the form of Audit Memos., and the Inspection Reports for each of the Divisions/Units inspected is finalised on the basis of the replies to these Audit Memos and discussions with the concerned officers of the Authority where no replies had been furnished. The DDA is required to take necessary action to settle the objections mentioned in the various inspection Reports as early as possible by furnishing the required information and obtaining sanction of the Competent Authority, where necessary, in respect of the irregularities. In addition to local inspection of the various Divisions/Units, and audit of the annual accounts, including the balance sheet is carried out by

the AGCR. The observations made during this Audit also are discussed with the officers of the DDA as in the case of local inspections before the Audit Report on the annual accounts is finalised. The draft Audit Report is then drawn up on the basis of the various Inspection Reports and prepared after the DDA has furnished the necessary data/comments. As regards the 'observations in the Audit Report appended', these are none other than those mentioned in the Audit Report itself on the Accounts. These observations are mentioned in the pages noted against each Audit Report of the relevant years as indicated below:—

<i>Year</i>	<i>Pages</i>
1971-72 . . . . .	1-4
1972-73 . . . . .	1-4
1973-74 . . . . .	1-4
1974-75 . . . . .	1-4

As regards (a) (ii), the position is that more important irregularities which are not mentioned in the Audit Report on the Annual Accounts of the DDA and which need to be brought to the notice of the administrative Ministry and the Parliament, and Auditor General on the Accounts of the Union Government (Civil) of the concerned Ministry. During the four years from 1971-72 to 1974-75, there was only one such Audit Para., included in the Report of the Comptroller and Auditor General of India in respect of the DDA.

As observed at the sitting of the Committee, both the administrative Ministry and the Ministry of Finance should carry out a review of the Audit Reports given on the accounts of the Authority and also see that remedial and disciplinary measures where necessary in regard thereto are taken. We would also impress upon the DDA the need for early clearance of Inspection Reports and Audit Paras and watch such clearance. I am issuing necessary instructions to the Financial Adviser attached to the Ministry of Works and Housing who will ensure issue of similar instructions to the officers on the side of the Administration. The Committee of Experts comprised of the Officers of the Central Government and Vice-Chairman of the DDA set up recently to look into the working of the DDA is also being asked to go into this aspect."

1.29. On being asked to fix responsibility for late auditing of accounts, undue delay in laying the Audit Reports, non-clearance of audit objections and delay in laying the Annual Administration Reports etc., the witness replied:

".....The Government have set up a Committee under the Chairmanship of the Director-General of the Bureau of Public Enterprises consisting of representatives of the Ministry of Works and Housing and Financial Adviser and also Vice-Chairman of DDA to enquire into various matters. The enquiry would primarily find out how far this authority could be made an efficient instrument in fulfilling the objectives for which it was set up, with reference to its past deficiencies. In particular they have been asked to look into certain aspects to make an overall assessment of the functioning and activities and also study the financial procedures at present being followed by DDA and suggest modifications and also may look into the various financial activities to see how far they are in conformity with the regulations laid down by the Government from time to time."

1.30. The witness also undertook to ask the Committee referred to above to examine the question of past delays and the extent of responsibility involved on the part of Audit or the Department.

1.31. On an enquiry the witness informed that the said Committee was set up on 25th October, 1977. He also stated that the aforesaid Committee had started functioning on the 28th October, 1977 and would submit its Report by 28th February, 1978.\*

1.32. When asked about the basis for setting up aforesaid Committee the representative of the Ministry of Works and Housing informed that they had submitted some proposals on allotment of land to institutions. While considering them the Cabinet decided that an Expert Committee should go into the working of DDA, particularly the financial angle should be examined.

1.33. When asked whether any decision for finalising the Audit Report had been taken, the representative of the Ministry of Finance stated that they would consult the C&AG and draw up a time schedule for it.

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\*The time for presentation of the Report has been extended by 3 months i.e. upto 31-5-1978.

1.34. In this regard the representative of the Ministry of Finance (Deptt. of Expenditure) has in O.M. dated 15th November 1977 *inter-alia* stated:

“...I had mentioned at the sitting of the Committee that we shall take up with the Comptroller and Auditor General the question whether a time schedule could be evolved so that certification of annual accounts of the DDA and the Audit Report thereon could be finalised within six months of the submission of the Annual Accounts to Audit i.e., by the 30th April of the year following the year to which the accounts pertain. Necessary action is being taken in this regard.”

1.35. When asked about the action taken on the recommendation of the Committee contained in para 3.5 of their First Report (Fifth Lok Sabha) regarding submission of Reports and Accounts within nine months from the close of the accounting year the witness stated that the Finance Ministry had issued an O.M. to all the Public Undertakings on this subject. In this connection the representative of the Ministry of Works and Housing stated that they had received a letter dated 29th November, 1976 from the Lok Sabha Secretariat with copies of the First and Second Reports of the Committee and they had forwarded the recommendations to DDA on 22nd December, 1976 for compliance. When pointed out that the First Report was laid on the Table in March, 1976 and in May, 1976 the Department of Parliamentary Affairs had circulated the recommendations of the Committee to all the Ministries the witness stuck to his earlier stand that they had received the recommendations on 29th November 1976 and sent to DDA on 22nd December, 1976. The representative of DDA stated that the instructions of the Ministry about issue of suitable directions to officers were received by them on 24th December, 1976.

1.36. As regards delay in the case of Audit Report for 1975-76 the witness stated that the accounts were prepared and submitted to Audit in March, 1977 but they had not received the Audit Report.

1.37. On enquiry whether in future the Audit Reports would be laid as per time schedule recommended by the Committee, the representative of the Ministry of Finance stated:

“So far as DDA is concerned, it follows Government system of accounting. Therefore carrying out various adjustments after the close of the financial year takes about three

months. That is till the end of June. Therefore, to close the accounts may take another three months. So in the case of DDA you may have to grant them time till October to finalise the accounts. So, another three months may have to be given."

1.38. Referring to the suggestion of the witness, the Committee enquired whether on a period of three months more (till October) being granted for finalisation of the accounts, there would be no delay in future, the witness replied that so far as accounts were concerned it was entirely within their control. They would see that accounts were submitted by October. So far as Audit Report was concerned the Finance Ministry would draw, in consultation with the C&AG, an agreed programme for finalisation of the audit of accounts and submit it to the Committee.

1.39. When asked about the reasons for delay in laying the Audit Report and Annual Report, the representative of the Ministry of Works and Housing expressing regrets stated that since no specific date had been fixed by which the audit should be completed and the Audit Report should be laid on the Table the question of undue delay did not arise. On being asked if he was satisfied with the reason given for delay, the witness replied "No. But once you fix a date, we must stick to that date. Now, we will take it up with the C&AG and fix a date." When pointed out whether a delay of 44 months in laying a report was justified, even if no time limit was fixed the witness conceded that "Even if no time limit is fix 44 months is undue delay."

1.40. As regards 'Review' of the Audit Reports by the Ministry the Committee enquired whether these reports were got reviewed by some senior officer as to why the objections were not cleared the witness stated 'I am not aware of it. But I do feel that this should be done'.

1.41. Asked whether rules had been framed under Section 26 for laying the Annual Administration Reports of DDA before both Houses of Parliament the witness replied that they had framed Delhi Development (Misc.) Rules 1959 which provide that after the close of each financial year the Authority should prepare and submit to the Central Government not later than 31st October, next following, a report of its activities during the year. The Rules also contained a proforma prescribed as to what the Report should contain. When pointed out that in the case of Reports for 1971-72, 1973-74 and 1974-75 there was delay of 7 months, 9 months and 10

months, respectively, and the position in respect of the reports for 1975-76 and 1976-77 was not known the representative of DDA informed that the Annual Report for 1975-76\* was submitted to the Ministry on 11th January, 1977 but he had no information whether the Report had been laid before Parliament. As regards 1976-77\*\* Report the witness stated that the accounts which would form part of the Report would be finalised in November, 1977 and it would not be possible for them to lay the Report before Parliament by December, 1977. He was of the view that it would be possible for them to lay the Report before Parliament during the next session (Budget Session).

1.42. When asked about the steps taken to avoid delay in laying the Reports in future, the witness replied that they had introduced the system of reconciliation of accounts every month which was not being done regularly. Once the accounts were reconciled every month it would then be possible for them to finalise the accounts in time.

1.43. On being asked whether any special instructions had been issued to the Officers that in order to avoid delay they should finalise the Annual Administration Report in time, the witness stated:—

“One instruction was issued in February, 1977. That is about time-schedule. The other instruction which we want all the officers to follow and to submit these reports in time is to get the accounts reconciled every month so that there will be no delay in the finalisation of accounts. We have drafted that instruction and will issue it now.”

1.44. The Committee are shocked to note that although Section 25(4) of the Delhi Development Act, 1957 lays down that the accounts of the authority as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause a copy of the same to be laid before both Houses of Parliament, the laying on the Table of Audit Report on the accounts of the Delhi Development Authority for 1971-72 was badly delayed and the report was laid on the Table of Lok Sabha as late as 23-8-1976, i.e. 53 months after the close of the financial year. The position regarding laying of Audit Reports for 1972-73, 1973-74 and 1974-75 is no better inasmuch as these were laid on the Table of the Lok Sabha

\*Since laid on 4-4-1977

\*\* Since laid on 24-4-1978

on 29-10-1976, 20-6-1977 and 1-8-1977 respectively, after 43 months, 39 months and 28 months of the close of the financial year to which they pertained.

1.45. The horrible delays have kept Parliament in the dark for years together about accounts of the Delhi Development Authority, and its performance and the tasks for which it was set up. This is a serious matter because if any serious irregularity, embezzlement or mis-appropriation comes to the notice of the House after lapse of such a long time, House may find itself to be completely helpless in taking timely corrective action as the chances are that in the meantime the persons responsible for that state of affairs might have retired from service or may otherwise not be there for action being taken against them.

1.46. The Committee note from the Audit Report for 1971-72 that the Audit observations contained in 549 paragraphs of 89 Inspection Reports issued upto 31st March, 1972 were outstanding till January, 1975, as detailed below:

Year	Number of Inspection Reports	Number of paragraphs outstanding
1967-68;	20	70
1968-69;	14	92
1969-70	16	99
1970-71	14	99
1971-72	25	189
	89	549

1.47. The Committee find from the above data that the number of outstanding audit observations is mounting up every year and it has reached the maximum number of 189 in 1971-72. The Committee apprehend that if these audit observations are not attended to and cleared urgently these are bound to increase further and cause delay in laying of future audit reports. The Committee recommend that the Ministry of Works and Housing who are administratively concerned with the affairs of the Delhi Development Authority and the Ministry of Finance should review the position and take immediate steps in consultation with the Audit to liquidate these accumulated audit observations at an early date, and devise some suitable procedure for the future to minimise the scope for audit objections.

1.48. The Committee further note with serious concern that Government have not so far made any attempt to frame any rule under section 26 of the Act fixing a definite date for laying of the Annual Administration Report before both Houses of Parliament as has been done for submission of the Report to Government. The Committee strongly deprecate this procrastination in framing of Rules even after 20 years of the enforcement of the Delhi Development Act, 1957.

1.49. The Committee feel surprised to find that DDA took about 20 years to make an attempt to frame the Delhi Development Authority (Budget and Accounts) Rules, 1977 as the same was set up in 1957. Even now these rules have not been finalised. The Committee are distressed to note that in the proposed draft rules no time schedules for the finalisation of accounts, their submission to audit and to the Ministry and finally for laying them before Parliament have been prescribed. The Committee suggest that an independent high-powered Committee should be set up to pin-down the responsibility for this criminal negligence.

1.50. From the analysis of the information furnished by the Ministry of Works and Housing indicating the stages at which the Audit Report of DDA for 1971-72 was processed the Committee find that the accounts in question were made available to Audit by DDA in October, 1972, i.e. after 7 months of the close of the financial year. Thereafter the Audit took about a year in making the draft audit report available to DDA. Final Comments by DDA on the draft audit report were sent to Audit after 8 months of the receipt of the draft report. Further information asked for by Audit on 27-6-1974 was supplied to them on 17-1-1975, i.e. after 6 months. The DDA also took 6 months in furnishing Hindi version of the accounts to AGCR after receipt of the final report from the Ministry of Works and Housing.

1.51. The above data inevitably leads the Committee to conclude that apart from the Audit being responsible for the delay in making the draft audit report available, the Delhi Development Authority cannot absolve itself from its responsibility for contributing towards delay by its slackness at various stages and not furnishing its comments to audit with expedition. The position in regard to processing of Audit Reports for the subsequent years tells the same sorry tale. The Committee are unhappy to conclude that at no stage DDA seems to have made sincere and concerted efforts to finalise the accounts properly and in time which left much scope for Audit to make back references or comments. The Committee have no doubt



in their mind that the accounts in the case of all the years right from 1971-72 have not been prepared with due care and promptitude. The Committee feel that the time taken by Audit in auditing the accounts and making back references for clarifications could have been saved if the accounts had been prepared and maintained properly.

1.52. The Committee are not at all convinced with the routine type of explanation given by the Ministry of Works and Housing that preparation of accounts is a time consuming process. The Committee are of the view that if the accounts are maintained properly and the necessary entries are made in time in the accounts books, registers and ledgers prescribed for the purpose and the progress of maintenance of accounts is watched and test checked periodically by some responsible senior officer in the Authority there is no reason why the accounts should not be finalised in time and laid before Parliament along with the Annual Administration Report of the DDA every year within the prescribed time. The Committee are of the view that if accounts are kept properly and entries made in the books are checked periodically, the discrepancies, if any, are bound to come to notice within the minimum laps of time and the chances of audit queries at the time of auditing of accounts can to a greater extent be minimised. The Committee are of the opinion that the difficulties expressed by the Ministry in maintenance of accounts are not real if viewed in the light of the fact that various Branches/ Sections of the Authority are located in Delhi and the discrepancies in the accounts could be rectified by personal discussions amongst the concerned officers rather than entering into protracted correspondence.

1.53. The Committee note that Section 25(1) of the Delhi Development Act, 1957 lays down that the Authority shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the balance-sheet in such form as the Central Government may by rules prescribe in consultation with the Comptroller and Auditor General of India.

1.54. The Committee find that three Notifications, namely, the Delhi Development Authority (Maintenance of Current Account) Rules, 1959, the Delhi Development Authority (Preparation of Budget) Rules, 1960, the Delhi Development Authority (Preparation of Annual Accounts) Rules, 1964, were issued by the Ministry of Health, under whom the DDA was functioning then. Of these three the Committee note that in the Notification issued in 1964 under Section 25(1) of the Delhi Development Act, 1957 read with clause (c) of sub-section (2) of section 56 of the said Act, the Central Gov-

ernment in consultation with the Comptroller and Auditor General of India and the Delhi Development Authority had laid down that 'the Annual Accounts thus completed shall be laid before the Authority at their meeting to be held not later than the month of November following the close of the year either along with the Annual Report or separately. Four copies of the Accounts with the accompanying documents together with the Audit Report thereon shall be submitted to the Government of India by the end of November each year along with the observations of the Authority.' But here also no definite stage-wise time schedules have been laid down.

1.55. The Committee further note that the Annual Administration Report of DDA for 1974-75, which was laid on the Table of Lok Sabha on 23-8-76, was also not laid in time as it was laid after 17 months of the close of the financial year. Section 26 of the Delhi Development Act, 1957 stipulates that the Authority shall prepare for every year a report of its activities during that year and submit the report to the Central Government in such form and on or before such date as may be prescribed by rules, and that Government shall cause a copy of the report to be laid before both Houses of Parliament. The Committee also note that Rule 5 of the Delhi Development (Miscellaneous) Rules, 1959, regarding form of Annual Report provides that after the close of each financial year the Authority shall prepare and submit to the Central Government not later than 31st October, next following a report of its activities during such year.

1.56. The Committee are constrained to observe that DDA has not adhered even to its own time schedule of submitting the Annual Administration Report to the Central Government by 31st October of the next following year as laid down in Rule 5 of the Delhi Development (Misc.) Rules 1959. On perusal of the information received from the Ministry of Works and Housing in regard to submission of the Reports to the Government, the Committee find that DDA has on an average taken more than 5 to 7 months in submitting its Report to the Government beyond the due date (i.e. 31st October) of submission. It is surprising that even this rule has been observed by DDA more in breach than in adherence.

1.57. The Committee, therefore, recommend that Government should take immediate steps to frame the rules under Sections 25 and 26 of the Delhi Development Act, 1957 providing, in accordance with the recommendation of the Committee in para 3.5 of their First Report (Fifth Lok Sabha) for laying of the Audit Report and Annual Administration Report together before Parliament within nine months of the close of the financial year to which the Report pertains.

1.58. The Committee note that the Ministry of Works and Housing did not even care to lay on the Table Statements explaining reasons for delay in laying the Audit Report for 1971-72 and the Annual Administration Report for 1974-75 at the time of laying these Reports before Lok Sabha on 23-8-1976.

1.59. The Committee are not convinced with the stock reply given by the Ministry in either case in support of their not having laid the delay statements that no specific time limit has been prescribed in the Delhi Development Act, 1957 for laying the Audit Report or the Annual Administration Report on the activities of DDA on the Tables of the two Houses as the same do not fall under the categories of Rules, Regulations or Act and further no delay statements were laid during the previous years when the Reports were laid on the Table of Lok Sabha. The Committee are surprised to find that the Ministry have in their note dated 12-8-1977 tried to justify the lapse on their part in not laying the delay statements by stating that no such delay statement was called for either by Lok Sabha or Rajya Sabha in respect of the Audit Reports or Annual Administration Report for the previous years when those were laid on the Tables of the Houses, although there was delay in laying them.

1.60. In this connection the Committee note that instructions had been issued by the Lok Sabha Secretariat to all the Ministries/ Departments of the Government of India as early as in 1962 and repeated from time to time through Brochure on Procedure followed by Ministries in connection with Parliamentary work that "wherever there is undue delay in laying a document (including the statutory rules etc.) on the Table of the House, the concerned Minister should also arrange to lay on the Table, along with such document, a statement giving reasons for the delay." The representative of the Ministry had during evidence before the Committee, however, conceded that even if no time limit is laid down 44 months delay in laying the Audit Report for 1971-72 before Parliament is undue delay. The Committee have inevitably to conclude that the Ministry instead of following the standing instructions which are printed and circulated to all Ministries has deliberately tried to mislead the Committee. The Committee take a serious view of the non-compliance of these instructions by the Ministry of Works and Housing at the time of laying of the Audit and Annual Administration Reports.

1.61. In these circumstances the Committee need hardly re-emphasise their earlier recommendation made in para 3.5 of their First Report (Fifth Lok Sabha) which reads as follows:—

“The Committee are of the opinion that normally the Annual Report and audited accounts of autonomous organisations should be presented to Parliament together to enable the House to have a complete picture of the working of that body. This decision should not be taken to imply that laying of reports and accounts could be delayed to any length of time. The Committee recommend that the Annual Report together with the audited accounts and audit report thereon for a particular year should be laid on the Table within 9 months of the close of the accounting year unless otherwise stipulated in the Act or Rules under which the organisation has been set up. To comply with this requirement proper time schedule should be laid down for compilation of Annual Report and accounts and their auditing. The Committee feel that normally a period of 3 months would be sufficient for compilation of accounts and their submission to audit; the next 6 months might be given for auditing of accounts; for printing of the report and sending it to Government for laying. If for any reason the reports audited accounts and audit report cannot be laid within the stipulated period of nine months, the Ministry should lay within 30 days of the expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the report and accounts could not be laid within the stipulated period.”

1.62. The Committee hope that positive steps would now be taken by the Ministry in implementing the above recommendation in letter and spirit. To obviate delay in laying the Audit Report and Annual Administration Report of the Delhi Development Authority before Parliament in future, the Committee recommend that some time bound programme should be chalked out for completion of various stages of the Annual Report and Accounts so that the Annual Report and Audit Report are laid on the Table within the stipulated time.

1.63. The Committee hope that after the time limits are thus laid down, the Ministry would keep a strict watch on the affairs of the DDA to check any tendency of complacency on their part and

to ensure complete observances of these schedules at different stages so that the Report and Accounts are laid before Parliament in time.

1.64. In case of any difficulty in getting the Audit Report from Audit in time the matter may be taken up with the Ministry of Finance or Audit Authorities to settle some agreed programme in this regard.

1.65. The Committee, however, note that DDA has in order to avoid delay in laying the Audit Reports before Parliament in future, introduced the system of reconciliation of accounts every month which was not being done earlier regularly. The Committee hope that once the accounts are reconciled and test checked every month it would be possible for DDA to finalise the accounts properly and in time and leaving little scope for audit queries.

1.66. The Committee note that a Committee of experts has been set up on 25th October, 1977 under the Chairmanship of the Director-General of the Bureau of Public Enterprises and consisting of representatives of the Ministry of Works and Housing, the Financial Adviser and also Vice-Chairman of DDA to find out how far this Authority can be made an efficient instrument in fulfilling the objectives for which it was set up, with reference to its past deficiencies. In addition to this, the Committee of Experts has been particularly asked to study the financial procedures at present being followed by DDA and to suggest modifications and also to look into the various financial activities to see how far they are in conformity with the regulations laid down by the Government from time to time. The Committee were also informed by the representative of the Ministry of Finance during evidence that the question of examination of past delays and the extent of responsibility involved on the part of Audit or the DDA will also be referred to the Committee. The report of the Experts Committee was expected by 28th February, 1978.\*

1.67. The Committee hope that the Committee of Experts might be going into all aspects of the working of the DDA and their recommendations might cover the various matters promised to be referred to them by the Ministry during evidence before the Committee on Papers laid on the Table. The Committee trust that the Expert Committee would submit their report expeditiously. The Committee may be informed of the recommendations of the Expert Committee in case Government do not lay its report on the Table of the House.

1.68. The Committee note that the Audit Report and the Annual Administration Report of the Delhi Development Authority are not

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\* The time for presentation of the Report has been extended by 3 months, i.e. upto 31-5-197

reviewed by the Ministry, at present, before laying them before Parliament and no separate review is laid. The Committee recommend that the Ministry of Works & Housing who are concerned with the DDA at present should examine the Reports after these are submitted to them by the DDA in future and prepare a 'Review' on the working of the Authority, giving salient points of the achievements, how far the Authority has achieved the objects for which it was set up and what are the salient features of its future programme. Where the Audit Report and Annual Administration Reports mentioned any serious irregularity or any other matter of importance which needed corrective action or further enquiry, it was expected that Government made a mention in the Review of the action being taken in that direction. However, where information on all the aforesaid matters is already available in the Audit Report/Annual Administration Report and Government have nothing to add thereto, Government should, in accordance with the recommendation made by the Committee in para 4.18 of their Second Report (Fifth Lok Sabha), lay on the Table along with report a statement saying that they are in agreement with the report and hence no 'Review' is being laid.

1.69. The Committee hope that the Ministry of Works and Housing will in future analytically examine to Audit Report/Annual Administration Report of the Authority and invariably lay along with the Audit Report/Annual Administration Report their own assessment before Parliament in the form of 'Review'.

1.70. The Committee note that as per their recommendation made in para 3.5 of First Report (Fifth Lok Sabha) the Audit Reports for 1975-76 and 1976-77 were required to be laid on the Table by 31-12-1976 and 31-12-1977 respectively but neither the reports have been laid within the prescribed period nor any Statement explaining reasons for delay in laying the Reports has been laid within time. The Committee have come to the inescapable conclusion that their recommendations are not receiving even now any serious attention and prompt action as they deserve from the Ministry.

1.71. The representative of the Ministry had assured the Committee that these reports would be laid during the Budget Session of 1978 but till now these reports have not been laid. The Committee recommend that the aforesaid reports should be laid on the Table of the Houses without further delay with statements explaining reasons for delay in laying the reports. The Committee trust that in future the Audit Report and the Annual Administration Report of DDA will be laid together before both Houses within the scheduled time, i.e. by 31st December next following the year to which the reports pertain.

## CHAPTER II

### DELAY IN LAYING BEFORE PARLIAMENT ANNUAL REPORTS OF THE CENTRAL FISHERIES CORPORATION LIMITED

2.1. The Annual Reports (both English and Hindi versions) for the years 1972-73 and 1973-74 of the Central Fisheries Corporation Limited, together with a statement showing reasons for delay in laying these Reports were laid on the Table of Lok Sabha on the 25 October, 1976, under Section 619A(1) of the Companies Act, 1956 which reads as under:—

“619A(1) Where the Central Government is a member of a Government Company the Central Government shall cause an annual report on the working and affairs of that company to be—

- (a) prepared within three months of its annual general meeting before which the audit report is placed under sub-section (5) of section 619;
- (b) as soon as may be after such preparation, laid before both Houses of Parliament together with a copy of the audit report and any comments upon, or supplement to the audit report, made by the Comptroller and Auditor-General of India.”

No ‘Review’ on the above Reports of the Corporation was laid while laying the Reports on the Table of Lok Sabha.

2.2. In the statement laid on the Table showing reasons for delay in laying the above Reports before Parliament, the Ministry of Agriculture and Irrigation have explained the delay as follows:—

“1972-73: The Central Fisheries Corporation had imported fish from Bangladesh during 1972-73 and vouchers relating to the transactions of the procurement centres in Bangladesh were kept in the offices in Bangladesh. There was considerable delay in the verification and audit of these vouchers. After the report of the statutory auditors and comments of the Comptroller and Auditor General were received the report was placed before the Annual General Body meet-

ing of the shareholders of the Corporation for adoption in June, 1974. Thereafter, the Corporation took considerable time in getting the reports printed in English and Hindi.

1973-74: The main reason for delay in laying this Report is delay in audit of the accounts. The report was adopted in December, 1975, meeting of the Board. Thereafter, there was further delay in getting English and Hindi versions printed.

The delay in placing the Reports is very much regretted. The Corporation has been asked to take steps to avoid delays in future."

2.3. Since the above statement did not indicate reasons for delay in detail, further information was called for from the Ministry of Agriculture and Irrigation, which was sent by the Ministry *vide* their O.M. dated 15 January, 1977.

2.4. On the question as to when job of auditing the accounts for 1972-73 and 1973-74 of the Corporation was taken up by the Audit, the Ministry of Agriculture & Irrigation stated:—

"1972-73: The Statutory auditors were appointed by the Company Law Board only in the last week of August, 1973 and the accounts were taken up for Audit in the first week of September, 1973. The consolidated Trial Balance was finalised on completion of audit in May, 1974 when formal certification of Accounts was done by Statutory Auditors who also sent the same to C&AG simultaneously.

1973-74: The Statutory auditors were appointed during the third week of August, 1974 and the accounts were taken up for audit in the second week of September, 1974. The consolidated final balance was drawn up in April, 1975 and the audited accounts were finalised in July, 1975."

2.5. So far as the question of delay in printing and translation of Reports for 1972-73 and 1973-74 and the specific difficulties being experienced in regard thereto, was concerned, the Ministry of Agriculture and Irrigation explained:—

"The Annual Report for 1972-73 was to be got translated and printed into Hindi by the Corporation. Considerable time was taken by the Corporation in getting it translated into



and subsequent printing because satisfactory facilities are not available in Calcutta for Hindi translation and printing. The Ministry got it done in Delhi. Similarly, considerable time was taken in getting 1973-74 report translated into Hindi by the Corporation and its subsequent printing. By the time the annual report for 1972-73 was almost ready, the English version for 1973-74 was ready. So it was decided to lay both the reports together on the Tables of Parliament. All this resulted in delay. Such delays would be avoided."

2.6. As regards the reasons for not laying the 'Review' on the working of the Corporation for these years before Parliament the Ministry of Agriculture and irrigation stated that 'Review' of the working of Corporation would be submitted in future."

2.7. The Annual Report for 1974-75 (both English and Hindi versions) together with 'Review' thereon was laid on the Table of Lok Sabha on 13 June, 1977. In the Statement showing reasons for delay which was also laid alongwith the Report, the Ministry of Agriculture and Irrigation gave the following reasons for the delay:—

"The delay in submitting the Annual Report of the C.F.C. for the year 1974-75 is basically due to the fact that the Statutory Auditors for the year were appointed by the Company Law Board on 31-1-76. The Audit was taken up in the First week of February, 1976 and completed on 30-7-76. The formal certification of accounts by Statutory Auditors was done on 20-8-76 when these were sent to Comptroller and Auditor General. The accounts duly audited were adopted in the Annual General Body Meeting held on 27-9-76. Thereafter, the Annual Report was drafted, translated and printed, but could not be placed in time on the Table of the Fifth Lok Sabha."

2.8. At their sitting held on 6 October, 1977 the Committee considered the aspect of delay in laying Reports of the Central Fisheries Corporation before Parliament and decided that the Ministry might be asked to furnish further clarifications on certain points. The Ministry of Agriculture and Irrigation furnished the requisite information *vide* their O.M. dated 20 December, 1977.

2.9. On the question of procedure being followed for the appointment of Statutory Auditors by the Company Law Board the Minis-

try intimated, "Appointment can be made only after the receipt of the previous year's Accounts and the Reports of the Statutory Auditors under Section 619(3) of the Companies Act, 1956 and past delays are thus a contributory factor in the appointment of Statutory Auditors for the subsequent year."

2.10. As regards the reasons for the delay the Ministry, explained that the delay is mainly due to volume of transactions as data/information had to be collected from a number of Units with Central Depot at Howrah and Head Office.

2.11. Regarding the progress of compilation and finalisation of English version of Reports for 1972-73 and 1973-74, the Ministry stated as follows:—

"The Consolidated Trial Balance for 1972-73 and 1973-74 was drawn during February, 1974 and April, 1975 respectively and the finaliation made on completion of audit and the Final Accounts submitted to Statutory Auditors on 10 May, 1974 and 18 July, 1975 for 1972-73 and 1973-74 respectively under Section 215 of the Companies Act, 1956 on approval of the Board of Directors. The Reports were finally adopted by Shareholders on 30-6-74 and 23-12-75 respectively for these 2 years."

2.12. As regards the procedure being followed by the Corporation in getting the reports translated into Hindi, the Ministry stated:—

"The Corporaion has no staff for doing translation work in Hindi. Hence, Hindi version of the Report and accounts cannot be prepared concurrently with the English version. Since satisfactory facilities for Hindi translation were not available at Calcutta, the Corporation has been sending cyclostyled English version to the Ministry for getting it translated in Hindi.

In July, 1974, the CFC reported to the Ministry that they lacked facilities for Hindi translation only. They did not report that they lacked facilities for Hindi printing.

On 29-8-74, the Ministry made arrangements for Hindi translation (of report for 1972-73). Since the Corporation took considerable time nearly one year to get the report for 1972-73 printed in Hindi at Calcutta even after the translation was done at Delhi, translation in Hindi and also printing of the Report for the year 1973-74 was done at Delhi.

For 1972-73, Hindi version of the Report was ready on 26-11-75. Though the cyclostyled English version was ready with the Corporation in July 1974 itself, they sent the requisite copies thereof only in May 1976, i.e. long after they even sent the Hindi version. Since the English versions were bound in a defective manner the same was returned and a proper set of copies got ready on 19-6-76.

The English version of Report for the year 1973-74 was ready on 29-6-76 and Hindi version thereof on 17-8-1976.

As explained above, by the time the printed copies of 1972-73 were received, the Report for 1973-74 was also almost ready. Hence it was decided that Annual Reports both for 1972-73 and 1973-74 may be placed on the Tables of both the Houses together."

2.13. In reply to a question whether the Ministry had advised the Corporation to lay the English version of the Report along with a statement explaining the reasons as to why Hindi version of the Reports was not being laid simultaneously, the Ministry stated:—

"No. The endeavour had been to lay both the versions of the Report simultaneously."

2.14. The Ministry further informed that the recommendations contained in the First Report (Fifth Lok Sabha) of the Committee on Papers laid on the Table were brought to the notice of the Central Fisheries Corporation on 22-7-1976.

2.15. While giving clarification on the point regarding delay in adoption of the report by the Corporation after accounts for 1973-74 were audited in July, 1975, the Ministry have stated:—

"After the certification of Accounts for 1973-74 during July 1975 the comments of CAG were received by the Corporation only on 7 November, 1975 and the Annual General Meeting could only be held immediately thereafter in December, 1975 after issuing due notice to all concerned."

2.16. As regards other reasons which also contributed to delay in laying reports for the year 1974-75 in addition to those mentioned in the Statement showing reasons for delay, the Ministry in their note have explained as follows:—

"The reasons for delay in submission of Annual Report for 1974-75 is mainly due to delay in finalisation of Accounts of earlier years. The report of statutory auditors

on Final Accounts for the year 1973-74 was received in the Corporation in late July, 1975 and was submitted for adoption in Annual General Meeting in September, 1975 with the expectation that the comments of CAG were received in mid November, 1975 and it could be adopted only in the Annual General Meeting held in December, 1975. Hence, appointment of Statutory Auditors for 1974-75 by the Company Law Board was delayed and could be made only on 31-1-76 and they started their audit in February, 1976. The formal certification of Accounts by Statutory Auditors together with their reports was done on 20 August, 1976 and the same was sent to CAG simultaneously for their comments. The printed copies of Report in English and Hindi versions were received in the Ministry on 4-12-76 and on 16-2-77 respectively. Since at that time, the Lok Sabha stood dissolved, the reports were submitted to the new Minister for Agriculture and Irrigation for authentication and was forwarded to the Lok Sabha and Rajya Sabha Secretariat in May, 1977 itself."

1.17. On the question of printing of the Report for 1974-75, the Ministry have stated:—

"The Consolidated Trial Balance was drawn during March, 1976 and the finalisation made on completion of audit and the Final Accounts submitted to Statutory Auditors on 30 July, 1976 under Section 215 of the Companies Act, 1956. The certification by Statutory Auditors was done on 20 August, 1976.

The print order was issued on 3 November, 1976 after observing formalities i.e. quotation call etc. with the instruction to supply within 20 November 1976 but the party could not supply the printed report in due time as such the Corporation had to issue fresh orders on negotiated term in view of the urgency on 1 December, 1976 to another party."

2.18. Annual Report of the Central Fisheries Corporation Limited for the year 1975-76 has not been laid before Parliament even after lapse of 25 months after the close of the accounting year. The Ministry who were asked to intimate the position of the Report have stated:

"Statutory Auditors for 1975-76 were appointed by the Company Law Board vide their letter No. 17/165/76-IGC 29 September, 1976 and has taken up the audit on and from 8 November, 1976.

The Accounts was drawn during December, 1976 and submitted to the Statutory Auditors. The formal submission of Annual Accounts for 1975-76 under Section 215 of the Companies Act, 1956 will be made after completion of the Audit by Statutory Auditors which is now under audit compliances."

2.19. Regarding steps taken by the Ministry of Agriculture and Irrigation to streamline the procedure and eliminate delays at various stages with a view to laying reports before Parliament in time, the Ministry have explained as follows:—

"Necessary steps have been taken to finalise the Accounts and to complete the whole process with the cooperation of all i.e. audit by Statutory Auditors and by the Government Auditors, approval by the Board of Directors and adoption in Annual General Meeting as early as possible.

As a step a new procedure has been adopted with effect from April 1977 in maintaining the unit Accounts in Head Office which will help us to streamline the procedure at various stages.

The Corporation is also being reminded by the Ministry periodically."

2.20. The Committee also note that the Annual Report for 1976-77 which was due for being laid by the end of 1977 had not been laid within the stipulated period.

2.21. The Committee note with concern the delay on the part of the Government in laying on the Table Annual Reports of the Central Fisheries Corporation Limited for the years 1972-73 and 1973-74 which were laid on the Table of Lok Sabha as late as 25 October 1976 i.e. after 43 months and 31 months, respectively, of the close of the accounting year to which they pertained. The Committee further note that no review by the Government on the working of the Corporation was laid along with any of these reports.

2.22. The Committee further note that in spite of the recommendation made by them in para 4.18 of Second Report (Fifth Lok Sabha) presented on 12 May 1976 that the administrative Ministry should, while laying the reports of Government Companies, lay their own 'Review' also on the Tables of both the Houses of Parliament, on the working of those companies, the Ministry of Agriculture and Irrigation under whose administrative control the Central Fisheries Corporation falls have failed to lay the review by the Gov-

ernment on the annual reports for 1972-73 and 1973-74. While noting with satisfaction the information given by the Ministry that the 'Review' would be submitted in future the Committee wish to point out that the Ministry should have taken steps to comply with the recommendation made by the Committee as soon as it was circulated to Ministries soon after presentation of the report rather than giving an assurance now that they would lay the review by Government along with future Reports of the company. The Committee cannot help expressing their unhappiness over the casual manner in which the Ministry have treated their recommendation. The Committee trust that the Ministry would be watchful in future to avoid recurrence of such lapses.

2.23. The Committee are concerned to find that notwithstanding the relaxation given by them to the Government vide para 4.16 of Second Report (Fifth Lok Sabha) for laying by December, 1976, Reports of Government Companies, which were in arrears, in respect of the periods upto 1974-75, the laying of the Annual Report of the Central Fisheries Corporation for 1974-75 was delayed and the Report was laid before Lok Sabha as late as 13-6-1977. Although the Corporation had handed over, in time, the printed copies of the Report both English and Hindi versions on 4-12-1976 and 16-2-1977, respectively, for being laid on the Tables of both the Houses of Parliament, yet the Ministry of Agriculture and Irrigation failed to lay without any plausible reason the Reports during the following session of Lok Sabha held in March/April, 1977. The Committee take a serious view of it and feel that had the Ministry been more vigilant and had realised the importance of laying the Reports before Parliament in time, the Reports for 1974-75 would have been available to Members of Parliament in the First Session of Sixth Lok Sabha. The Ministry get the funds sanctioned by the Parliament for being invested in the Companies/Corporations etc. under their control and therefore, it is imperative that Parliament is apprised, at a proper time, of the results achieved by those investments so that corrective measures, if found necessary, may be suggested in time for future guidance.

2.24. The Committee find that the Statutory Auditors were appointed for auditing the accounts of the Central Fisheries Corporation for both the years 1972-73 and 1973-74 after 6 months of the close of the accounting year to which they pertained. Again, the Statutory Auditors for auditing the accounts for 1974-75 and 1975-76 were appointed after a period of 8 months and 10 months, respectively, of the close of the accounting year to which they pertained. The Committee are of the opinion that unless some positive steps are

taken either to clear the arrears or way is found for appointment of Statutory Auditors, even when the previous years' accounts and the Reports of the Statutory Auditors under section 619A(3) of the Companies Act, 1956 have not been received and past delays are not allowed to be a contributory factor in the appointment of statutory auditors for the subsequent year, the delays in laying the Reports are bound to persist. The Committee feel that earnest efforts are called for to rectify this situation. Immediate steps should be taken to evolve some procedure in consultation with the Comptroller and Auditor General of India and the Department of Company Affairs to ensure that Statutory Auditors are appointed with utmost promptitude.

2.25. The Committee regret to find that the laying on the Table of the Annual Reports of the Central Fisheries Corporation Limited for the years 1972-73, 1973-74 and 1974-75 was badly delayed and these reports were laid on the Table of Lok Sabha after 28 months, 10 months and 8½ months, respectively, of their adoption by the Corporation on 30-6-1974, 23-12-1975 and 27-9-1976, respectively, in complete disregard of the provisions of section 619A(1) of the Companies Act, 1956 in terms of which the Annual Report of a Government Company is required to be prepared within 3 months of its annual General Meeting before which the audit report is placed and as soon as thereafter, laid before Parliament. The Committee are of the view that the Ministry of Agriculture and Irrigation who are administratively concerned with the functioning of the Corporation, should, after convening the Annual General Meeting, keep a close watch over the progress of the Report and where necessary, should take positive steps to ensure that the laying of the Report is not delayed on account of any avoidable circumstance.

2.26. The Committee further find that after the preparation of English version of the Reports the time taken in translation and printing thereof contributed maximum to the delay in laying those reports. The Committee note that in July, 1974 when the Corporation had expressed its difficulties in getting the Report for 1972-73 translated into Hindi at its Office at Calcutta, the Ministry took upon themselves the responsibility of getting the same translated at Delhi. While the initiative taken by the Ministry for taking up the translation job is to be appreciated, the Committee are sorry to observe that the time taken (i.e. about 15 months) in translation into Hindi and printing of Reports for 1972-73 consisting of 47 pages in all, is incomprehensible. Barring the Report for 1972-73, the time taken in printing and translation of the Reports for 1973-74 and 1974-75 can also not be overlooked.

2.27. The Committee are, therefore, of the opinion that lack of translation facilities should not be made an excuse for delaying laying of important documents like reports of Government Companies. However, if the Central Fisheries Corporation experience any difficulty in getting the reports translated into Hindi, the Committee would like the Corporation to avail of the translation facilities offered by the Government of Uttar Pradesh (vide para 2.45 of Fourth Report, Fifth Lok Sabha) on payment basis. Again in case one version of the Report is not ready in time, the other version which is ready should be laid along with a statement indicating the reasons for not laying the other version and the other version should be laid on the Table either in the same session or at the most by the end of the next session as recommended by the Committee in para 2.15 of the First Report (Fifth Lok Sabha). Further, with a view to obviate delay at printing stage the Committee would like to lay stress on the need for action being taken in advance to settle rates with the Printing Presses for their job requirement and no time should be wasted in negotiations with the Printing Presses at the eleventh hour.

2.28. The Committee are concerned to note that the Annual Report of the Central Fisheries Corporation for the year 1975-76 has not been laid before Parliament even after a lapse of 25 months of the close of accounting year. Likewise, the Annual Report for 1976-77 has also not been laid within the stipulated period of 9 months of the close of the accounting year. Further, in terms of the recommendation made in para 4.16 of Second Report (Fifth Lok Sabha) a statement indicating the reasons for not laying the Report within the prescribed period has also not been laid within seven days of reassembly of the House in February, 1978. The Committee feel that the Ministry have not given due importance to the recommendation of the Committee and failed to take requisite steps to ensure compliance with the recommendation of the Committee. Even the new procedure adopted by them with effect from April, 1977 in maintaining the unit accounts in Head Office, which according to the Ministry was expected to help reduce the delay, has not improved the position. The Committee, therefore, recommend that the Ministry should chalk out a time bound programme for being followed strictly at various stages of compilation of the Annual Report of the Corporation and the Ministry should also keep themselves in constant touch with the Corporation so as to be in possession of full facts of the progress of the Report in order to ensure that reports of the Corporation are laid before Parliament within the stipulated period of 9 months as contemplated in the Committee's recommendation made in para 4.16 of their Second Report (Fifth Lok Sabha).



**2.29. The Committee hope that the Ministry of Agriculture and Irrigation would make all out efforts to see that the reports of the Central Fisheries Corporation which are in arrears are laid before both the Houses of Parliament within next six months and all future reports are laid within the period of 9 months of the close of the accounting year and the work relating to laying of reports is not allowed to fall into arrears.**

NEW DELHI;

May 9, 1978

Vaisakha 19, 1900 (Saka)

KANWAR LAL GUPTA,

Chairman,

Committee on Papers Laid on the Table.

## APPENDIX I

(Vide Para 1-25 of Chapter-I)

*Details indicating the stages at which the Audit Report of the DDA for 1971-72 was processed.*

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Draft Audit report received by the DDA. . . . .	10-10-73
Comments furnished by the DDA to AGCR . . . . .	27-4-74 & 11-6-74
Further information asked for by the AGCR . . . . .	27-6-74
Information furnished to AGCR . . . . .	17-1-75
Final Report received by the Ministry of Works & Housing . . . . .	5-6-75
Sent to the DDA for printing . . . . .	12-6-75
Hindi version of the Accounts sent to AGCR on . . . . .	23-1-76
Hindi version verified by AGCR . . . . .	22-4-76
Hindi version sent to the DDA. . . . .	3-5-76
Printed copies of both English and Hindi versions received by the Ministry from DDA. . . . .	18-6-76
Sent to Parliament . . . . .	16-8-76

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## APPENDIX II

(Vide Para 1.28 of Chapter-I)

No. C.17034/30/77.Bt.

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(DEPARTMENT OF EXPENDITURE)

New Delhi, the 15th November, 1977

### OFFICE MEMORANDUM

**SUBJECT:** *Delay in laying on the Table of the Lok Sabha Audit Report on the Annual Accounts of the D.D.A.*

During discussion at the sitting of the Committee on Papers laid on the 7th November, 1977, I was required to report in writing to the Committee on the following aspects:

- (a) In regard to the audit certificate on the accounts of the Delhi Development Authority which referred to "the observations in the Audit Report appended", it was enquired:
- (i) Whether the observations referred to in the Audit Report on the accounts were those which appear in the Audit Report printed alongwith account for presentation to the Parliament;
  - (ii) Whether serious irregularities/improprieties were also brought out in any other report of the Comptroller and Auditor General of India.
- (b) What steps the Ministry of Finance would like to ensure a time schedule for the finalisation of the Audit Report on the Accounts of a particular year which according to the directions of the Committee should be completed within a period of 6 months of the receipt of the accounts in the Audit Office.

In regard to (a) (i) it may be mentioned that the audit of the DDA is carried out by the AGCR. Local inspection parties from AGCR inspect the accounts of the various Works Divisions and Units of the Authority and cover all of them during the course of a year. Irregularities which come to the notice of the Audit party are brought by them to the notice of the officers of the DDA in the form of Audit Memos., and the Inspection Reports for each of the Divisions/Units inspected is finalised on the basis of the replies to these Audit Memos. and discussions with the concerned officers of the Authority where no replies had been furnished. The DDA is required to take necessary action to settle the objections mentioned in the various Inspection Reports as early as possible by furnishing the required information and obtaining sanction of the Competent Authority, where necessary, in respect of the irregularities. In addition to local inspection of the various Divisions/Units, an audit of the annual accounts, including the balance sheet is carried out by the AGCR. The observations made during this Audit also are discussed with the officers of the DDA as in the case of local inspections before the Audit Report on the annual accounts is finalised. The draft Audit Report is then drawn up on the basis of the various Inspection Reports and prepared after the DDA has furnished the necessary data/comments.

As regards the "observations in the Audit Report appended", these are none other than those mentioned in the Audit Report itself on the Accounts. These observations are mentioned in the pages noted against each Audit Report of the relevant year as indicated below:

Year	PAGES
1971-72 . . . . .	1-4
1972-73 . . . . .	1-4
1973-74 . . . . .	1-4
1974-75 . . . . .	1-4

As regards (a) (ii), the position is that more important irregularities which are not mentioned in the Audit Report on the Annual Accounts of the DDA and which need to be brought to the notice of the administrative Ministry and the Parliament, are included in the Audit Report of the Comptroller and Auditor General on the Accounts of the Union Government (Civil) of the concerned Ministry. During the four years from 1971-72 to 1974-75, there was

only one such Audit Para., included in the Report of the Comptroller and Auditor General of India in respect of the DDA.

As observed at the sitting of the Committee, both the administrative Ministry and the Ministry of Finance should carry out a review of the Audit Reports given on the accounts of the Authority and also see that remedial and disciplinary measures where necessary in regard thereto are taken. We would also impress upon the DDA the need for early clearance of Inspection Reports and Audit Paras and watch such clearance. I am issuing necessary instructions to the Financial Adviser attached to the Ministry of Works and Housing who will ensure issue of similar instructions to the officers on the side of the Administration. The Committee of Experts comprised of the officers of the Central Government and Vice-Chairman of the DDA set up recently to look into the working of the DDA is also being asked to go into this aspect.

As regards (b) above, I had mentioned at the sitting of the Committee that we shall take up with the Comptroller and Auditor General the question whether a time schedule could be evolved so that certification of annual accounts of the DDA and the Audit Report thereon could be finalised within six months of the submission of the Annual Accounts to Audit, i.e., by the 30th April of the year following the year to which the accounts pertain. Necessary action is being taken in this regard.

Sd/-

(G. RAMACHANDAN),

*Secretary to the Government of India.*

To

The Lok Sabha Secretariat,

(Shri N. N. Mehra, Senior Table Officer),

*New Delhi.*

### APPENDIX III

#### Summary of Recommendations/Observations contained in the Report

S.No.	Reference	Summary of Recommendations/Observations to Para No. of the Report.
(1)	(2)	
1.	1.44	The Committee are shocked to note that although Section 25(4) of the Delhi Development Act, 1957 lays down that the accounts of the authority as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause a copy of the same to be laid before both Houses of Parliament, the laying on the Table of Audit Report on the accounts of the Delhi Development Authority for 1971-72 was badly delayed and the report was laid on the Table of Lok Sabha as late as 23-8-1976, i.e. 53 months after the close of the financial year. The position regarding laying of Audit Reports for 1972-73, 1973-74 and 1974-75 is no better inasmuch as these were laid on the Table of Lok Sabha on 29-10-1976, 20-6-1977 and 1-8-1977 respectively, after 43 months, 39 months and 28 months of the close of the financial year to which they pertained.
2.	1.45	The horrible delays have kept Parliament in the dark for years together about accounts of the Delhi Development Authority, and its performance and the tasks for which it was set up. This is a serious matter because if any serious irregularity, embezzlement or mis-appropriation comes to the notice of the House after lapse of

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such a long time, House may find itself to be completely helpless in taking timely corrective action as the chances are that in the meantime the persons responsible for that state of affairs might have retired from service or may otherwise not be there for action being taken against them.

3. 1.46 The Committee note from the Audit Report for 1971-72 that the Audit observations contained in 549 paragraphs of 89 Inspection Reports issued upto 31st March, 1972 were outstanding till January, 1975, as detailed below:

Year	Number of Inspection Reports	Number of paragraphs outstanding
1967-68	20	70
1968-69	14	92
1969-70	16	99
1970-71	14	99
1971-72	25	189
	89	549

4. 1.47 The Committee find from the above data that the number of outstanding audit observations is mounting up every year and it has reached the maximum number of 189 in 1971-72. The Committee apprehended that if these audit observations are not attended to and cleared urgently these are bound to increase further and cause delay in laying of future audit reports. The Committee recommend that the Ministry of Works and Housing who are administratively concerned with the affairs of the Delhi Development Authority and the Ministry of Finance should review the position and take immediate steps in

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consultation with the Audit to liquidate these accumulated audit observations at any early date, and devise some suitable procedure for the future to minimise the scope for audit objections.

5. 1.48 The Committee further note with serious concern that Government have not so far made any attempt to frame any rule under section 26 of the Act fixing a definite date for laying of the Annual Administration Report before both Houses of Parliament as has been done for submission of the Report to Government. The Committee strongly deprecate this procrastination in framing of Rules even after 20 years of the enforcement of the Delhi Development Act, 1957.
6. 1.49 The Committee feel surprised to find that DDA took about 20 years to make an attempt to frame the Delhi Development Authority (Budget and Accounts) Rules, 1977 as the same was set up in 1957. Even now these rules have not been finalised. The Committee are distressed to note that in the proposed draft rules no time schedules for the finalisation of accounts, their submission to audit and to the Ministry and finally for laying them before Parliament have been prescribed. The Committee suggest that an independent high-powered Committee should be set up to pin-down the responsibility for this criminal negligence.
7. 1.50 From the analysis of the information furnished by the Ministry of Works and Housing indicating the stages at which the Audit Report of DDA for 1971-72 was processed the Committee find that the accounts in question were made available to Audit by DDA in October, 1972, i.e. after 7 months of the close of the financial year. Thereafter the Audit took about a year in mak-
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ing the draft audit report available to DDA. Final comments by DDA on the draft audit report were sent to Audit after 8 months of the receipt of the draft report. Further information asked for by Audit on 27-6-1974 was supplied to them on 17-1-1975, i.e., after 6 months. The DDA also took 6 months in furnishing Hindi version of the accounts to AGCR after receipt of the final report from the Ministry of Works and Housing.

8. 1.51. The above data inevitably leads the Committee to conclude that apart from the Audit being responsible for the delay in making the draft audit report available, the Delhi Development Authority cannot absolve itself from its responsibility for contributing towards delay by its slackness at various stages and not furnishing its comments to audit with expedition. The position in regard to processing of Audit Reports for the subsequent years tells the same sorry tale. The Committee are unhappy to conclude that at no stage DDA seems to have made sincere and concerted efforts to finalise the accounts properly and in time which left much scope for Audit to make back references or comments. The Committee have no doubt in their mind that the accounts in the case of all the years right from 1971-72 have not been prepared with due care and promptitude. The Committee feel that the time taken by Audit in auditing the accounts and making back references for clarifications could have been saved if the accounts had been prepared and maintained properly.

9. 1.52 The Committee are not at all convinced with the routine type of explanation given by the Ministry of Works and Housing that preparation of accounts is a time consuming process.

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The Committee are of the view that if the accounts are maintained properly and the necessary entries are made in time in the accounts books, registers and ledgers prescribed for the purpose and the progress of maintenance of accounts is watched and test checked periodically by some responsible senior officer in the Authority there is no reason why the accounts should not be finalised in time and laid before Parliament along with the Annual Administration Report of the DDA every year within the prescribed time. The Committee are of the view that if accounts are kept properly and entries made in the books are checked periodically, the discrepancies, if any, are bound to come to notice within the minimum lapse of time and the chances of audit queries at the time of auditing of accounts can to a greater extent be minimised. The Committee are of the opinion that the difficulties expressed by the Ministry in maintenance of accounts are not real if viewed in the light of the fact that various Branches/Sections of the Authority are located in Delhi and the discrepancies in the accounts could be rectified by personal discussions amongst the concerned officers rather than entering into protracted correspondence.

10. 1.53 The Committee note that Section 25(1) of the Delhi Development Act, 1957 lays down that the Authority shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the Balance-sheet in such form as the Central Government may by rules prescribe in consultation with the Comptroller and Auditor General of India.
11. 1.54 The Committee find that three Notifications, namely, the Delhi Development Authority (Maintenance of Current Account) Rules, 1959, the Delhi Development Authority (Preparation of Budget) Rules, 1960, the Delhi Development

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Authority (Preparation of Annual Accounts) Rules, 1964, were issued by the Ministry of Health, under whom the DDA was functioning then. Of these three the Committee note that in the Notification issued in 1964 under Section 25(1) of the Delhi Development Act, 1957 read with clause (c) of sub-section (2) of section 56 of the said Act, the Central Government in consultation with the Comptroller and Auditor General of India and the Delhi Development Authority had laid down that 'the Annual Accounts thus completed shall be laid before the Authority at their meeting to be held not later than the month of November following the close of the year either along with the Annual Report or separately. Four copies of the Accounts with the accompanying documents together with the Audit Report thereon shall be submitted to the Government of India by the end of November each year along with the observations of the Authority.' But here also no definite stage-wise time schedules have been laid down.

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The Committee further note that the Annual Administration Report of DDA for 1974-75, which was laid on the Table of Lok Sabha on 23-8-76, was also not laid in time as it was laid after 17 months of the close of the financial year. Section 26 of the Delhi Development Act, 1957 stipulates that the Authority shall prepare for every year a report of its activities during that year and submit the report to the Central Government in such form and on or before such date as may be prescribed by rules and that Government shall cause a copy of the report to be laid before both Houses of Parliament. The Committee also note that Rule 5 of the Delhi Development (Miscellaneous) Rules, 1950, regarding form of Annual Report provides that after the close of each financial year the Autho-

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		rity shall prepare and submit to the Central Government not later than 31st October, next following a report of its activities during such year.
13.	1.56	The Committee are constrained to observe that DDA has not adhere even to its own time schedule of submitting the Annual Administration Report to the Central Government by 31st October of the next following year as laid down in Rule 5 of the Delhi Development (Misc.) Rules 1959. On perusal of the information received from the Ministry of Works and Housing in regard to submission of the Reports to the Government, the Committee find that DDA has on an average taken more than 5 to 7 months in submitting its Report to the Government beyond the due date (i.e. 31st October) of submission. It is surprising that even this rule has been observed by DDA more in breach than in adherence.
14.	1.57	The Committee, therefore, recommend that Government should take immediate steps to frame the rules under Sections 25 and 26 of the Delhi Development Act, 1957 providing, in accordance with the recommendation of the Committee in para 3.5 of their First Report (Fifth Lok Sabha) for <u>laying of the Audit Report and Annual Administration Report together before Parliament within nine months of the close of the financial year to which the Report pertains.</u>
15.	1.58	The Committee note that the Ministry of Works and Housing did not even care to lay on the Table Statements explaining reasons for delay in laying the Audit Report for 1971-72 and the Annual Administration Report for 1974-75 at the time of laying these Reports before Lok Sabha on 23-8-1976.

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16.	1.59	<p>The Committee are not convinced with the stock reply given by the Ministry in either case in support of their not having laid the delay statements that no specific time limit has been prescribed in the Delhi Development Act, 1957 for laying the Audit Report or the Annual Administration Report on the activities of DDA on the Tables of the two Houses as the same do not fall under the categories of Rules, Regulations or Act and further no delay statements were laid during the previous years when the Reports were laid on the Table of Lok Sabha. The Committee are surprised to find that the Ministry have in their note dated 12-8-1977 tried to justify the lapse on their part in not laying the delay statements by stating that no such delay statement was called for either by Lok Sabha or Rajya Sabha in respect of the Audit Reports or Annual Administration Reports for the previous years when those were laid on the Tables of the Houses, although there was delay in laying them.</p>
17.	1.60	<p>In this connection the Committee note that instructions had been issued by the Lok Sabha Secretariat to all the Ministries/Departments of the Government of India as early as in 1962 and repeated from time to time through Brochure on Procedure followed by Ministries in connection with Parliamentary work that "wherever there is undue delay in laying a document (including the statutory rules etc.) on the Table of the House, the concerned Minister should also arrange to lay on the Table, along with such document, a statement giving reasons for the delay." <u>The representative of the Ministry had during evidence before the Committee, however, conceded that even if no time limit is laid down 44 months delay in laying the Audit Report for 1971-72 before Parliament is undue delay. The Committee have inevitably to conclude that the</u></p>

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Ministry instead of following the standing instructions which are printed and circulated to all Ministries has deliberately tried to mislead the Committee. The Committee take a serious view of the non-compliance of these instructions by the Ministry of Works and Housing at the time of laying of the Audit and Annual Administration Reports.

18.            1.61

In these circumstances the Committee need hardly re-emphasise their earlier recommendation made in para 3.5 of their First Report (Fifth Lok Sabha) which reads as follows:—

“The Committee are of the opinion that normally the Annual Report and audited accounts of autonomous organisations should be presented to Parliament together to enable the House to have a complete picture of the working of that body. This decision should not be taken to imply that laying of reports and accounts could be delayed to any length of time. The Committee recommend that the Annual Report together with the audited accounts and audit report thereon for a particular year should be laid on the Table within 9 months of the close of the accounting year unless otherwise stipulated in the Act or Rules under which the organisation has been set up. To comply with this requirement proper time schedule should be laid down for compilation of Annual Report and accounts and their auditing. The Committee feel that normally a period of 3 months would be sufficient for compilation of accounts and their submission to audit; the next 6 months

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might be given for auditing of accounts; for printing of the report and sending it to Government for laying. If for any reason the reports, audited accounts and audit report cannot be laid within the stipulated period of nine months, the Ministry should lay within 30 days of the expiry of the prescribed period or as soon as the expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the report and accounts could not be laid within the stipulated period."

19.           1.62           The Committee hope that positive steps would now be taken by the Ministry in implementing the above recommendation in letter and spirit. To obviate delay in laying the Audit Report and Annual Administration Report of the Delhi Development Authority before Parliament in future, the Committee recommend that some time bound programme should be chalked out for completion of various stages of the Annual Report and Accounts so that the Annual Report and Audit Report are laid on the Table within the stipulated time.
20.           1.63           The Committee hope that after the time limits are thus laid down, the Ministry would keep a strict watch on the affairs of the DDA to check any tendency of complacency on their part and to ensure complete observance of these schedules at different stages so that the Report and Accounts are laid before Parliament in time.
21.           1.64           In case of any difficulty in getting the Audit Report from Audit in time the matter may be taken up with the Ministry of Finance or Audit Authorities to settle some agreed programme in this regard.
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22.	1.65	<p>The Committee, however, note that DDA has in order to avoid delay in laying the Audit Reports before Parliament in future, introduced the system of reconciliation of accounts every month which was not being done earlier regularly. The Committee hope that once the accounts are reconciled and test checked every month it would be possible for DDA to finalise the accounts properly and in time and leaving little scope for audit queries.</p>
23.	1.66	<p>The Committee note that a Committee of experts has been set up on 25th October, 1977 under the Chairmanship of the Director-General of the Bureau of Public Enterprises and consisting of representatives of the Ministry of Works and Housing, the Financial Adviser and also Vice-Chairman of DD to find out how far this Authority can be made an efficient instrument in fulfilling the objectives for which it was set up, with reference to its past deficiencies. In addition to this, the Committee of Experts has been particularly asked to study the financial procedures at present being followed by DDA and to suggest modifications and also to look into the various financial activities to see how far they are in conformity with the regulations laid down by the Government from time to time. The Committee were also informed by the representative of the Ministry of Finance during evidence that the question of examination of past delays and the extent of responsibility involved on the part of Audit or the DDA will also be referred to the Committee. The report of the Experts Committee was expected by 28th February, 1978*.</p>
24.	1.67	<p>The Committee hope that the Committee of Experts might be going into all aspects of the working of the DDA and their recommendations</p>

\*The time for presentation for the Report has been extended by 3 months, i.e. upto 31.5.78.



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might cover the various matters promised to be referred to them by the Ministry during evidence before the Committee on Papers laid on the Table. The Committee trust that the Expert Committee would submit their report expeditiously. The Committee may be informed of the recommendations of the Expert Committee in case Government do not lay its report on the Table of the House.

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The Committee note that the Audit Report and the Annual Administration Report of the Delhi Development Authority are not reviewed by the Ministry, at present, before laying them before Parliament and no separate review is laid. The Committee recommend that the Ministry of Works and Housing who are concerned with the DDA at present should examine the Reports after these are submitted to them by the DDA in future and prepare a 'Review' on the working of the Authority, giving salient points of the achievements, how far the Authority has achieved the objects for which it was set up and what are the salient features of its future programme. Where the Audit Report and Annual Administration Reports mentioned any serious irregularity or any other matter of importance which needed corrective action or further enquiry, it was expected that Government made a mention in the Review of the action being taken in that direction. However, where information on all the aforesaid matters is already available in the Audit Report/Annual Administration Report and Government have nothing to add thereto, Government should, in accordance with the recommendation made by the Committee in para 4.18 of their Second Report (Fifth Lok Sabha), lay on the Table along with report a statement saying that they are in agreement with the report and hence no 'Review' is being laid.

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26.	1.69	The Committee hope that the Ministry of Works and Housing will in future analytically examine the Audit Report/Annual Administration Report of the Authority and invariably lay along with the Audit Report/Annual Administration Report their own assessment before Parliament in the form of 'Review'.
27.	1.70	The Committee note that as per their recommendation made in para 3.5 of First Report (Fifth Lok Sabha) the Audit Reports for 1975-76 and 1976-77 were required to be laid on the Table by 31st December, 1976 and 31st December, 1977 respectively but neither the reports have been laid within the prescribed period nor any Statement explaining reasons for delay in laying the Reports has been laid within time. <i>The Committee have come to the inescapable conclusion that their recommendations are not receiving even now any serious attention and prompt action as they deserve from the Ministry.</i>
28.	1.71	The representative of the Ministry had assured the Committee that these reports would be laid during the Budget Session of 1978 but till now these reports have not been laid. The Committee recommend that the aforesaid reports should be laid on the Table of the Houses without further delay with statements explaining reasons for delay in laying the reports. The Committee trust that in future the Audit Report and the Annual Administration Report of DDA will be laid together before both Houses within the scheduled time, i.e. by 31st December next following the year to which the reports pertain.
29.	2.21	The Committee note with concern the delay on the part of the Government in laying on the Table Annual Reports of the Central

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Fisheries Corporation Limited for the years 1972-73 and 1973-74 which were laid on the Table of Lok Sabha as late as 25th October, 1976 i.e. after 43 months and 31 months, respectively, of the close of the accounting year to which they pertained. The Committee further note that no review by the Government on the working of the Corporation was laid along with any of these reports.

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The Committee further note that in spite of the recommendation made by them in para 4.18 of Second Report (Fifth Lok Sabha) presented on 12 May, 1976 that the administrative Ministry should, while laying the reports of Government Companies, lay their own 'Review' also on the Tables of both the Houses of Parliament, on the working of those companies, the Ministry of Agriculture and Irrigation under whose administrative control the Central Fisheries Corporation falls have failed to lay the review by the Government on the annual reports for 1972-73 and 1973-74. While noting with satisfaction the information given by the Ministry that the 'Review' would be submitted in future the Committee wish to point out that the Ministry should have taken steps to comply with the recommendation made by the Committee as soon as it was circulated to Ministries soon after presentation of the report rather than giving an assurance now that they would lay the review by Government along with future Reports of the company. The Committee cannot help expressing their unhappiness over the casual manner in which the Ministry have treated their recommendation. The Committee trust that the Ministry would be watchful in future to avoid recurrence of such lapses.

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31	2.23	<p>The Committee are concerned to find that notwithstanding the relaxation given by them to the Government <i>vide</i> para 4.16 of Second Report (Fifth Lok Sabha) for laying by December, 1976, Reports of Government Companies, which were in arrears, in respect of the periods upto 1974-75, the laying of the Annual Report of the Central Fisheries Corporation for 1974-75 was delayed and the Report was laid before Lok Sabha as late as 13-6-1977. Although the Corporation had handed over, in time, the printed copies of the Report both English and Hindi versions on 4-12-1976 and 16-12-1977, respectively, for being laid on the Tables of both the Houses of Parliament, yet the Ministry of Agriculture and Irrigation failed to lay without any plausible reason the Reports during the following session of Lok Sabha held in March April, 1977. The Committee take a serious view of it and feel that had the Ministry been more vigilant and had realised the importance of laying the Reports before Parliament in time, the Report for 1974-75 would have been available to Members of Parliament in the First Session of Sixth Lok Sabha. The Ministry get the funds sanctioned by the Parliament for being invested in the Companies Corporations etc. under their control and therefore, it is imperative that Parliament is apprised, at a proper time, of the results achieved by those investments so that corrective measures, if found necessary, may be suggested in time for future guidance.</p>
32	2.24	<p>The Committee find that the Statutory Auditors were appointed for auditing the accounts of the Central Fisheries Corporation for both the years 1972-73 and 1973-74 after 6 months of the close of the accounting year to which they pertained. Again, the Statutory Auditors for auditing the accounts for 1974-75 and 1975-76 were appointed after a period of 8 months and 10</p>

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months, respectively, of the close of the accounting year to which they pertained. The Committee are of the opinion that unless some positive steps are taken either to clear the arrears or way is found for appointment of Statutory Auditors even when the previous years' accounts and the Reports of the Statutory Auditors under section 619A(3) of the Companies Act, 1956 have not been received and past delays are not allowed to be a contributory factor in the appointment of statutory auditors for the subsequent year, the delays in laying the Reports are bound to persist. The Committee feel that earnest efforts are called for to rectify this situation. Immediate steps should be taken to evolve some procedure in consultation with the Comptroller and Auditor General of India and the Department of Company Affairs to ensure that Statutory Auditors are appointed with utmost promptitude.

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2.25

The Committee regret to find that the laying on the Table of the Annual Reports of the Central Fisheries Corporation Limited for the years 1972-73, 1973-74 and 1974-75 was badly delayed and these reports were laid on the Table of Lok Sabha after 28 months, 10 months and 8½ months, respectively, of their adoption by the Corporation on 30-6-1974, 23-12-1975 and 27-9-1976, respectively, in complete disregard of the provisions of section 619(A)(1) of the Companies Act, 1956 in terms of which the Annual Report of a Government Company is required to be prepared within 3 months of its annual General Meeting before which the audit report is placed and as soon as thereafter, laid before Parliament. The Committee are of the view that the Ministry of Agriculture and Irrigation who are administratively concerned with the functioning of the Corporation, should, after convening the Annual

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General Meeting, keep a close watch over the progress of the Report and where necessary, should take positive steps to ensure that the laying of the Report is not delayed on account of any avoidable circumstance.

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2.26

The Committee further find that after the preparation of English version of the Reports the time taken in translation and printing thereof contributed maximum to the delay in laying those reports. The Committee note that in July, 1974 when the Corporation had expressed its difficulties in getting the Report for 1972-73 translated into Hindi at its Office at Calcutta, the Ministry took upon themselves the responsibility of getting the same translated at Delhi. While the initiative taken by the Ministry for taking up the translation job is to be appreciated, the Committee are sorry to observe that the time taken (i.e. about 15 months) in translation into Hindi and printing of Report for 1972-73 consisting of 47 pages in all, is incomprehensible. Barring the Report for 1972-73, the time taken in printing and translation of the Reports for 1973-74 and 1974-75 can also not be overlooked.

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The Committee are therefore, of the opinion that lack of translation facilities should not be made an excuse for delaying laying of important documents like reports of Government Companies. However, if the Central Fisheries Corporation experience and difficulty in getting the reports translated into Hindi, the Committee would like the Corporation to avail of the translation facilities offered by the Government of Uttar Pradesh (vide para 2.45 of Fourth Report, Fifth Lok Sabha) on payment basis. Again in case one version of the Report is not ready in time, the other version which is ready should be laid along with a statement indicating the reasons for not laying the other version and the other version should be laid

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on the Table either in the same session or at the most by the end of the next session as recommended by the Committee in para 2.15 of the First Report (Fifth Lok Sabha). Further, with a view to obviate delay at printing stage the Committee would like to lay stress on the need for action being taken in advance to settle rates with the Printing Presses for their job requirement and no time should be wasted in negotiations with the Printing Presses at the eleventh hour.

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2.28

The Committee are concerned to note that the Annual Report of the Central Fisheries Corporation for the year 1975-76 has not been laid before Parliament even after a lapse of 25 months of the close of accounting year. Likewise, the Annual Report for 1976-77 has also not been laid within the stipulated period of 9 months of the close of the accounting year. Further, in terms of the recommendation made in para 4.16 of Second Report (Fifth Lok Sabha) a statement indicating the reasons for not laying the Report within the prescribed period has also not been laid within seven days of reassembly of the House in February, 1978. The Committee feel that the Ministry have not given due importance to the recommendation of the Committee and failed to take requisite steps to ensure compliance with the recommendation of the Committee. Even the new procedure adopted by them with effect from April, 1977 in maintaining the unit accounts in Head Office, which according to the Ministry was expected to help reduce the delay, has not improved the position. The Committee, therefore, recommend that the Ministry should chalk out a time bound programme for being followed strictly at various stages of compilation of the Annual Report of the Corporation and the Ministry should also keep themselves in constant touch

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with the Corporation so as to be in possession of full facts of the progress of the Report in order to ensure that reports of the Corporation are laid before Parliament within the stipulated period of 9 months as contemplated in the Committee's recommendation made in para 4.16 of their Second Report (Fifth Lok Sabha).

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The Committee hope that the Ministry of Agriculture and Irrigation would make all out efforts to see that the reports of the Central Fisheries Corporation which are in arrears are laid before both the Houses of Parliament within next six months and all future reports are laid within the period of 9 months of the close of the accounting year and the work relating to laying of reports is not allowed to fall into arrears.

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