

**COMMITTEE ON
PAPERS LAID ON THE TABLE
(1996-97)**

(ELEVENTH LOK SABHA)

FIRST REPORT

(Presented on 26-11-1996)



**LOK SABHA SECRETARIAT
NEW DELHI**

November, 1996/Kartika, 1918 (Saka)

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CORRIGENDA

to

**The First Report of the Committee on
Papers Laid on the Table (1996-97)**

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COMPOSITION OF THE COMMITTEE ON PAPERS LAID ON THE TABLE (1996-97)

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Shri J. P. Ratnesh	— Joint Secretary
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Shri J. P. Jain	— Under Secretary

INTRODUCTION

1. the Chairman of the Committee on Papers Laid on the Table of Lok Sabha, having been authorised by the Committee to present the Report on their behalf, present this First Report.

2. As a result of examination of some papers laid on the Table of the House (Tenth Lok Sabha) the Committee have come to certain conclusions in regard to delay in laying of the Annual Reports and Audited Accounts of the (i) Damodhar Cement and Slag Ltd., Calcutta, for the year 1991-92; (ii) Central Pollution Control Board, New Delhi for the year 1992-93; (iii) National Academy of Ayurveda (Rashtriya Ayurveda Vidyapeeth), New Delhi for the years 1991-92 & 1992-93; (iv) Pharmacy Council of India, New Delhi for the year 1992-93 and have made certain recommendations. The conclusions of the Committee are reflected in the Report.

3. The Committee considered and adopted the Report at their sitting held on 14-11-1996.

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

NEW DELHI;
14 November, 1996

23 Kartika, 1918 (Saka)

SATYA NARAYAN JATIYA,
*Chairman,
Committee on Papers Laid
on the Table.*

CHAPTER I

DELAY IN LAYING THE ANNUAL REPORT AND AUDITED ACCOUNTS OF DAMODHAR CEMENT AND SLAG LIMITED FOR THE YEAR 1991-92

1.1 The Annual Report and Audited Accounts of Damodhar Cement and Slag Limited for the year 1991-92 were laid alongwith Review and Delay Statement on the Table of Lok Sabha on 17 August, 1994. In terms of the recommendation of the Committee contained in para 4.16 of their Second Report (Fifth Lok Sabha), the aforementioned documents should have been laid by 31 December, 1992, i.e within 9 months from the close of the accounting year. Thus, the delay in laying the above mentioned documents came to about 19½ months.

1.2 In the statement laid alongwith the Annual Report and Audited Accounts, the reasons for delay in laying these documents for the year 1991-92 had been explained as under:—

“The Annual Report of Damodhar Cement & Slag Ltd. (DCSL) for the year 1991-92 could not be laid on the Table of Lok Sabha/Rajya Sabha in time due to the delay in finalisation of accounts by the Management on account of the shifting of the Headquarters of the Company from Calcutta to Madhukunda and the resultant delay in shifting of the records.”

1.3 The Ministry of Industry (Department of Heavy Industry) who were requested to furnish information on certain points, have furnished the same as under:—

I. The dates when

- | | |
|---|--------------|
| (a) the Company Law Board was approached for appointment of statutory auditors; | 11.12.1991 |
| (b) the statutory auditors were appointed; | 15.1.1992 |
| (c) the accounts of Damodhar Cement and Slag Ltd. were compiled and were ready for being handed over to auditors; | August, 1992 |
| (d) the accounts were handed over to auditors for auditing; | August 1992 |

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

Auditing of accounts was commenced by the Auditors in the first week of September, 1992, and could be completed by them on 7.8.1993 as clarifications sought for by Board of Directors were replied.

- (f) the annual report was finalised;
(g) the annual report and audited accounts were got approved from the Annual General Meeting/ Governing Body of the Damodhar Cement and Slag Ltd.;

13.10.1993

19.10.1993

- (h) the annual report and audited accounts were taken up for translation and printing and the time taken in it;

The Annual Report and Audited Accounts were taken up for translation from 20.10.1993 and it took about two months for getting it printed.

- (i) the finalised annual report and audited accounts in both Hindi and English versions were sent to the Ministry of Industry (Department of Heavy Industry) for being laid in Parliament.

23.12.1993

- (j) the delay Statement and review were prepared by the Ministry;

The delay statement and review statement were prepared by the Ministry on 3.8.1994. The delay were mainly due to the fact that the Annual Accounts and Annual Report of Damodhar Cement and Slag Ltd. for 1991-92 were expected to be laid alongwith the Annual Report of CCI for 1992-93 since, in the past, the Reports of CCI and Damodhar Cement and Slag Ltd. were being submitted together. Since the printed copies of the Annual Report of CCI were available only during July, 1994, the Annual Accounts of

Damodhar Cement and Slag Ltd. for 1991-92 were not presented earlier due to the above misconception. In future, they will be submitted separately in case any Report is being delayed.

- (k) the annual report and audited accounts alongwith review statement and delay statement were got authenticated from the Minister; and

4.8.1994

- (l) the annual reports and audited accounts of the Damodhar Cement and Slag Ltd. for the last three years. i.e. 1988-89, 1989-90 and 1990-91 were laid on the Table of Lok Sabha.

The requisite information is as under:

Year	Laid on
1988-89	29.12.1989
1989-90	7.1.1991
1990-91	18.12.1991

The audited annual accounts of the Damodhar Cement and Slag Ltd. for the years 1988-89 to 1990-91 were presented to the Lok Sabha alongwith Annual Reports of CCI as the Damodhar Cement and Slag Ltd. was a Joint venture of CCI and WBIDC. However, the Annual Accounts for 1991-92 of DCSL could not be finalised in time for presentation with the CCI's Annual Report due to certain administrative problems. Therefore, CCI had obtained permission from the Department of Company Affairs for finalising the Annual Accounts of CCI alone for that year.

The Annual Accounts of Damodhar Cement and Slag Ltd. for 1991-92 were subsequently laid on the Table of the Lok Sabha on 17.8.1994 when the Annual Report of CCI as well as Damodhar Cement and Slag Ltd. for 1992-93 were laid.

II. The latest position regarding finalisation of the annual report(s) and audited accounts for the subsequent year(s) 1992-93 and 1993-94. When these are expected to be laid on the Table of Lok Sabha.

As regards Annual Report of DCSL for the year 1992-93, as already explained in reply to part (1) above, DCSL's Report for 1992-93 have already been laid on the Table of Lok Sabha on 17.8.1994, as a part of the Annual Report of CCI for 1992-93.

The Annual Accounts of DCSL for 1993-94 are expected to be finalised during December, 1994, and the same is expected to be laid on the Table of House shortly alongwith CCI's Annual Report for 1993-94.*@

III. The remedial measures taken or proposed to be taken both in the Ministry and Damodhar Cement & Slag Ltd. to ensure timely laying of the Annual Reports and Audited Accounts within the prescribed period of nine months from the close of the accounting years, in future.

CCI, which is the holding Company, of DCSL, has been advised to ensure timely completion of the Annual Accounts and holding the Annual General Meeting and also to send the printed copies of the Annual Report to the Ministry well in time. It has also been decided to list the names of all the Companies on computer alongwith details of the different stages of finalisation of accounts and publication of the Annual Reports and laying them in both the Houses of Parliament so that the progress could be monitored by senior officers to ensure timely submission or else extension of time could be sought from the House.

1.4 In the above information furnished by the Ministry, replies on some of the points were not clearly stated so the Ministry were again requested to furnish the information on those and they have furnished the same as under:—

POINTS	REPLIES
(a) How much time was taken in shifting the Headquarters of the Company as has been stated by the Ministry in the delay statement that the delay in laying the required documents on the Table occurred mainly due to shifting of the Headquarters from Calcutta to Madhukunda; and	Necessary orders for shifting the Headquarters from Calcutta to Madhukunda w.c.f. 15.7.1992 were issued by the DCSL but this Order was stayed by the Civil Court, Calcutta, through injunction. After vacation of the injunction, final office order was issued on 18.9.1992 and staff was advised to report at Madhukunda on 19.9.1992. However, the staff did not join at Madhukunda. Subsequently, an agreement between DCSL and the Employees' Union was signed on 4.6.1993 and the employees agreed to join at new place of posting within 15 days of the agreement, i.e. by 19.6.1993.
(b) the reasons why the Annual Reports and Audited Accounts of the CCI and DCSL are not being prepared separately and laid on the Table of the House?	As per Companies Act Section 619A, for companies where Central Govt. is a member, the annual reports shall be laid before both the Houses of Parliament. In case of DCSL, the members are CCI (and its nominees) and WBIDC (and its nominees), and therefore, Annual Report of DCSL was not to be laid on the Table of the House separately. However, in order to meet the requirement of section 212 of the Companies Act, Annual report of DCSL is required to be attached with the Annual Reports of CCI. but, in the year 1991-92 the

POINTS

REPLIES

Annual Report of DCSL got delayed considerably and, therefore, the report of CCI was submitted without annexing the annual report of DCSL. This was done after getting approval from the appropriate authority.

1.5 The Committee considered the matter at their sitting held on 17.11.1995.

1.6 The Committee are distressed to note that the Annual Report and Audited Accounts of Damodhar Cement and Slag Ltd. for the year 1991-92 which were required to be laid on the Table of the House by 31 December, 1992 were actually laid on the Table of the House on 17 August, 1994 with a delay of about 19½ months.

1.7 The Committee find from the information furnished by the Ministry of Industry that 5 months were taken by the DCSL in compilation of their accounts instead of three months recommended by the Committee, 11 months were taken in auditing the accounts and giving replies to the queries sought by the Board of Directors instead of six months which also includes translation and printing. Not only the DCSL had taken too much time but the Ministry also took about 8 months in preparing delay and review statements. However, the Committee are happy to note that the Annual Report and Audited Accounts of DCSL for the year 1993-94 were laid on the Table of Lok Sabha on 21 December, 1994 i.e. well within 9 months of the closed of the accounting year as laid down by the Committee on Papers Laid. The Committee hope that the Annual Report and Audited Accounts of DCSL for the year 1994-95, which were due to be laid on the Table of the House by 31 December, 1995, will be laid without further delay.*

1.8 For the timely laying of the Annual Reports and Audited Accounts of DCSL, the Committee feel that the DCSL should have an internal audit system so as to be able to compile their accounts in time. If the DCSL authorities find that there is a delay in the auditing of accounts they should remind the audit authorities to expedite auditing of their accounts and supply the audit report within the time frame given by the Committee on Papers Laid. The Committee also recommend that the DCSL in consultation with the Ministry of Industry should chalk out a time bound schedule and every stage involved therein right from the beginning of the compilation of accounts to the laying of reports should be monitored at some higher level in the DCSL as well as in the Ministry of Industry so that the Annual Reports and Audited Accounts of the DCSL could be laid on the Table of the House in time.

* Have since been laid on 6-3-1996

CHAPTER II

DELAY IN LAYING AUDITED ACCOUNTS OF CENTRAL POLLUTION CONTROL BOARD DELHI FOR THE YEAR 1992-93

2.1 The Annual Report and Audited Accounts of Central Pollution Control Board, Delhi for the year 1992-93 were laid separately on the Table of the House i.e. on 23.12.1993 and 20.12.1994 respectively. In terms of the recommendation of the Committee contained in para 3.5 of their First Report (Fifth Lok Sabha) the Annual Report and Audited Accounts of the Board for the said year should have been laid on the Table of the House by 31 December, 1993 i.e. within 9 months of the close of the accounting year. While the Annual Report of the Board for the year 1992-93 was laid within the stipulated period of 9 months i.e. on 21.12.1993, the Audited Accounts for the same year were laid alongwith delay statement with a delay of about 11½ months.

2.2 In the statement laid alongwith the audited accounts, the reasons for delay in laying the audited accounts have been explained as under:—

“The statutory audit of the accounts of Central Pollution Control Board for the financial year 1992-93 was delayed on account of the fact that review audit by CAG was in progress and as soon the review was completed, the statutory auditors started the annual audit for 1992-93 and completed the same on 31.5.1994 and copies were sent to the Ministry on 16.6.1994 after printing and binding. The CPCB has furnished the copies of the audit report on 16.6.1994 and the audit report has been considered in the Ministry and some clarification on audit report was sought for on 1st August, 1994 and 6th October, 1994 and reply has been received on 18.10.1994 and 6.12.1994. Due to these reasons, the delay occurred.”

2.3 The Ministry of Environment and Forests who were requested to furnish information on some more points, have furnished the same as under:—

POINTS		REPLIES
1	2	3
I. The dates when:—		
(a) the action was initiated for appointment of auditors;		On receipt of advise from C&AG on 17.3.93 for appointment of M/s S.R. Khurana and Co. as auditors an offer of acceptance was sent to the Company. The company conveyed its acceptance on 5th May, 1993.

1	2	3
(b) The auditors were appointed;		After obtaining the concurrence of the Finance Division of this Ministry, the auditors were appointed on 2nd July, 1993.
(c) the accounts of Central Pollution Control Board, Delhi were compiled and were ready for being handed over to auditors;		The Accounts of the Central Pollution Control Board were compiled and were ready for being handed over to Auditors in the month of October, 1993.
(d) the accounts were handed over to auditors for auditing;		The accounts were handed over to auditors for auditing at the time of commencement of Audit in the month of November, 1993.
(e) the auditing of accounts commenced by the auditors and the time taken in it;		The auditing of accounts was commenced by the Auditors in the month of November, 1993 and it took around 6½ months and the accounts were finalised by the Auditors on 31.5.1994.
(f) the annual report was finalised;		The Annual Report finalised on 10.12.1993.
(g) The annual report and audited accounts were got approved from the Annual General Meeting/ Governing Body/Executive Committee of the Board;		The Annual Report was placed before the Board on 8.11.1993.
(h) the annual report and audited accounts were taken up for translation and printing and the time taken in it;		<p><i>Annual Report:</i> Order for printing of English version was placed on 26.10.93. It took a time of 30 days for translation and the Hindi version was handed over to the printer on 25.11.1993. Time taken for printing was about 15 days.</p> <p><i>Audited Accounts:</i> Order for printing of English version placed on 1.6.94 and the time taken for printing was 15 days. Hindi version was handed over to the printer on 1.7.94 and time taken for printing was 18 days.</p>

1	2	3
	(i) the finalised Annual Report and Audited Accounts in both Hindi and English versions were sent to the Ministry of Environment and Forests for being laid in Parliament;	<p><i>Annual Report:</i> Both English and Hindi versions were sent to the Ministry on 10.12.1993.</p> <p><i>Audited Accounts:</i> English version was sent on 16.6.1994 and Hindi version on 20.7.1994.</p>
	(j) the delay statement and review were prepared by the Ministry; and	<p><i>Annual Report:</i> The Annual Report 1992-93 was placed in the Parliament on 21.12.93 within the stipulated time.</p> <p><i>Audited Accounts:</i> The Audited Accounts alongwith the delay statement were prepared by the Ministry on 8.12.1994.</p>
	(k) the Annual Report and Audited Accounts alongwith review statement and delay statement were got authenticated from the Minister.	<p><i>Annual Report:</i> 17.12.1993</p> <p><i>Audited Accounts and Delay Statement:</i> 16.12.1994.</p> <p><i>Review Statement:</i> Not prepared for 1992-93.</p>
	II. The latest position regarding finalisation of the Annual Report and Audited Accounts for the subsequent years 1993-94 when these are expected to be laid on the Table of the Lok Sabha.	<p>The Annual Report for 1993-94 is ready for placing in the Parliament and the same will be laid in the Parliament in the forthcoming Session, 1995. C&AG is yet to nominate the auditors for the auditing of the accounts of CPCB for the year 1993-94.</p>
	III. The remedial measures taken or posposed to be taken both in the Ministry and the Central Pollution Control Board, Delhi to ensure timely laying of the Annual Reports and the Audited Accounts within the prescribed period of nine months from the close of the accounting year, in future.	<p>The Annual Reports of CPCB are generally laid in the Parliament within the stipulated time as per the provisions of the act and there is no delay on this account.</p> <p>Regarding Annual Audited Accounts. 3 agencies are involved. The C&AG of India recommends the name of auditors and the Ministry appoints them in consultation with its Finance Division. Thereafter, the auditors take their time in auditing the accounts. However, it may be submitted that as per Section</p>

1	2	3
		40 of the Water (Prevention and Control of Pollution) Act, 1974, there is no fixed time-limit for laying the audited statement of accounts, but the same are immediately laid in the Parliament after their receipt from the auditors after getting them duly printed both in English and Hindi.
IV. The dates on which the Annual Reports and Audited Accounts for the year 1989-90, 1990-91 and 1991-92 were laid on the Table of Lok Sabha.	Year	Annual Report Audited Accounts
	1989-90	4.1.1991 4.1.1991
	1990-91	17.12.1991 17.12.1991
	1991-92	22.12.1992 24.8.1993

2.4 The Annual Report of the Board for the years 1993-94 and 1994-95 have been laid on the Table on 14.2.1995 and 12.3.1996 *i.e.* after a delay of about 2 months and 3 months respectively whereas the Audited Accounts for these years have not so far been laid on the Table of the House.

2.5 The matter was considered by the Committee on Papers Laid on the Table at their sitting held on 25 March, 1996.

2.6 The Committee regret to note that the Audited Accounts of the Central Pollution Control Board, Delhi for the year 1992-93 were laid on the Table of the House after a delay of about 11½ months, though the Annual Report was laid on the Table of the House on 21.12.1993 *i.e.* within the scheduled time. Further the Annual Reports for the subsequent years 1993-94 and 1994-95 have been laid on the Table after a delay of about 2 and 3 months respectively whereas the Audited Accounts for these years have not so far been laid.

2.7 The Committee note that the Annual Reports in respect of the Board are not being laid together with the Audited Accounts and Audited Reports. The Committee feel that this is not in consonance with the recommendation of the Committee. The purpose of laying all these documents together is to enable the Members of Parliament to have a complete picture of the activities, performance and financial stability of the organisation. The Committee, therefore, recommend that the Ministry of Environment and Forests should lay on the Table of the House the Annual Report of the Board alongwith the Audited Accounts and Audit Report so that all the documents are available to the Members of Parliament at the same time.

2.8 It is true that Section 40 of the Water (Prevention and Control of Pollution) Act, 1974 which provides for laying the Annual Report and Audited Accounts of the Central Pollution Control Board before the

Houses of Parliament does not lay down any time-limit for laying its audited statement of accounts. As a matter of fact, the time-limit within which autonomous organisations should lay their annual reports before Parliament have not been specified in any Rule or enactment but through its recommendations made from time to time, the Committee on Papers Laid have stipulated that Annual Reports and Audited Accounts of different organisations should be laid in Parliament within a specified time *i.e.* within nine months of the close of the accounting year.

2.9 On perusal of the information furnished by the Ministry of Environment and Forests, the Committee also find that the Ministry did not prepare and lay the Review statement on the Table of the House alongwith the documents. The attention of the Ministry is invited to the recommendation contained in para 4.18 of the Second Report (Fifth Lok Sabha) which states as follows:

“The Committee note that while laying the Report of a Government Company before Parliament the concerned administrative Ministry also lays alongwith the Report a Review on the working of that Company. However, in certain cases no such Review is laid on the Table the Committee are of the view that even in cases where Government are in agreement with the information given in the Report of the Company and they have nothing to add, Government should lay on the Table alongwith the Report a statement saying that they are in agreement with the Report and hence no Review is being laid.”

2.10 From the above, the Committee cannot but conclude that the recommendations of the Committee made from time to time have not been implemented with the seriousness they deserve. The Committee deplore the lackadaisical manner in which the things were handled by the Ministry. The Committee desire that the Ministry of Environment and Forests should in consultation with the Board and Audit Authorities chalk out a time schedule for completion of all the stages of finalisation of Annual Report and Audited Accounts in such a manner that Annual Reports and Audited Accounts together with the Audit Report and ‘Review’ are placed before Parliament simultaneously at the same time and within the prescribed period of nine months of the close of the accounting year.

CHAPTER III

DELAY IN LAYING OF ANNUAL REPORTS AND AUDITED ACCOUNTS OF NATIONAL ACADEMY OF AYURVEDA (RASHTRIYA AYURVEDA VIDYAPEETH) NEW DELHI FOR THE YEARS 1991-92 AND 1992-93.

3.1 The Rashtriya Ayurveda Vidyapeeth registered as a Society under the Societies Registration Act, 1860, is an autonomous organisation under the Ministry of Health and Family Welfare, Government of India.

3.2 The Annual Reports and Audited Accounts of the Vidyapeeth for the period 1991-92 and 1992-93 were laid alongwith Review and Delay Statements on the Table of the House on 23 December, 1994. As per recommendation of the Committee contained in para 3.5 of their First Report (Fifth Lok Sabha), the aforementioned documents should have been laid by 31 December, 1992 and 1993 respectively i.e. within 9 months of the close of the accounting year. Thus the delay in laying the Annual Report and Audited Accounts comes to about 24 months and 12 months respectively.

3.3 In the statements laid alongwith the Annual Reports and Audited Accounts, the reasons for delay have been explained as under for the years 1991-92 and 1992-93:—

“...The 3rd meeting of the Governing Body of Rashtriya Ayurveda Vidyapeeth held on 31st January, 1992 recommended that the accounts of the Vidyapeeth be audited by Director of Audit Central Revenues. The Vidyapeeth submitted such a proposal to Ministry of Health and Family Welfare on 25th February, 1992.

Ministry of Health and Family Welfare made its recommendations to Ministry of Finance on 23rd April, 1992.

Audit of the accounts of Vidyapeeth were entrusted by Ministry of Finance (Department of Economic Affairs) to the Comptroller and Auditor General of India on 17th August, 1993. This fact was intimated by Ministry of Health on 20th September, 1993.

: Submission of unaudited statement of accounts by the Rashtriya Ayurved Vidyapeeth to the DACR.	30.8.93
Receipt of final Audit Report by the Rashtriya Ayurved Vidyapeeth.	10.11.93

- | | |
|--|------------|
| 3. Adoption of Annual Report and Audited Statement of Accounts of the Rashtriya Ayurved Vidyapeeth. | 31.1.94 |
| 4. Translation and printing of Annual Reports and Audited Statement of Accounts. | July, 1994 |
| 5. Receipt of printed copies of the Annual Report and Audited Statement of Accounts in the Ministry. | 29.7.94 |
| 6. Comments of technical experts on the Annual Report and Audited Statement of Accounts. | 5.8.94 |
| 7. Receipt of printed copies of the Annual Report and Audited Statement duly approved by the newly reconstituted Governing Body of Rashtriya Ayurved Vidyapeeth. | 24.11.94 |
| 8. Approval by Deputy Minister to the Delay Statement, Authentication of Annual Report and Audited Statement of Accounts." | 8.12.94 |

3.4. The Ministry of Health and Family Welfare who were requested to furnish information on certain more points in this regard, have furnished the same as under:—

POINTS		REPLIES		
1	2	3		
I.	The dates when—			
	(a) the accounts of Rashtriya Ayurveda Vidyapeeth, New Delhi were compiled and were ready for being handed over to auditors;	1991-92	1992-93	1993-94
		6.7.1992	1.6.1993	29.6.1994
	(b) the annual Report was finalised;	31.1.1994		31.1.1994
		8.12.1994		
II.	The latest position regarding finalisation of the Annual Report and Audited Accounts for the subsequent year 1993-94 when these are expected to be laid on the Table of Lok Sabha.	Date of receipt of audited accounts for 1993-94 from AGCR- 5.12.1994.		
		Date of approval of Annual Reports 1993-94 by .President, G.B. Rashtriya Ayurved Vidyapeeth—8.12.1994.		
		Date of submission of Annual Report 1993-94 to Ministry—19.12.1994.		
		These are expected to be laid on		

1	2	3
		the Table of the Lok Sabha in the forthcoming Session of Parliament.
III. The remedial measures taken or proposed to be taken both in the Ministry and the Rashtriya Ayurved Vidyapeeth, New Delhi to ensure timely laying of the Annual Reports and Audited Accounts within the prescribed period of nine months from the close of the accounting years, in future.	Rashtriya Ayurved Vidyapeeth has been intimated to submit their accounts in time in future in order to enable this Ministry to process the papers and lay them on the Table of Lok Sabha well in time.	
IV. The dates on which the Annual Reports and Audited Accounts for the years 1989-90, 1990-91 and 1991-92 were laid on the Table of Lok Sabha.	Rashtriya Ayurved Vidyapeeth started functioning in 1991 and they started receiving grants from the Ministry in 1991-92. Thus, the question of submitting the Reports for 1989-90 and 1990-91 does not arise. However, regarding laying of papers for 1991-92, the same had been laid on the Table of Lok Sabha on 23.12.1994."	

3.5 The Annual Report and Audited Accounts of Vidyapeeth for the year 1993-94 have been laid on the Table after a marginal delay of about 2½ months i.e on 15.3.1995. The documents for the year 1994-95 have not been laid so far.

3.6 The matter was considered by the Committee on Papers Laid on the Table at their sitting held on 25 March, 1996.

3.7 The Committee regret to note that the Annual Reports and Audited Accounts of National Academy of Ayurveda, New Delhi for the years 1991-92 and 1992-93 were laid on the Table of Lok Sabha on 23.12.1994 after a delay of about 24 months and 12 months respectively.

3.8 The Committee find from the delay statement and subsequent information furnished by the Ministry of Health and Family Welfare that much of the delay took place in appointing the statutory auditors i.e. after 17 months of the close of the accounting year 1991-92. Further after receipt of final Audit Report, the Academy has taken about 2½ months in adopting them and about 6 months were taken in translation and printing of the reports. The Committee is surprised to note that after printing of the reports, the Academy has taken unduly long period of about 4 months in sending them to the Ministry for being placed before Parliament.

3.9 The Committee find that the Annual Report and Audited Accounts for the year 1993-94 have been laid on the Table of Lok Sabha after a marginal delay of about 2½ months i.e. on 15.3.1995, but the documents for the year 1994-95 have not been laid on the Table of the House so far.

3.10 The Committee stress the need for laying a time schedule for each and every stage right from compilation of accounts to the laying of these documents on the Table of the House. There should be proper coordination and interaction between the Ministry and the Academy and some senior officer should be given the responsibility to ensure that the time schedule is being adhered to at each stage, so that the Annual Report and Audited Accounts are laid in time, in future.

CHAPTER IV

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF PHARMACY COUNCIL OF INDIA, NEW DELHI FOR THE YEAR 1992-93

4.1 The Pharmacy Council of India is a statutory body constituted under the Pharmacy Act, 1948. The Council is responsible for the prescription, regulation and maintenance of minimum educational standards for the training of Pharmacists uniformly in the country. It prescribes the syllabus, norms for the institutions and regulations for diploma course in pharmacy and undertakes the registration of Pharmacists.

4.2 The Annual Report and Audited Accounts of the Pharmacy Council of India for the year 1992-93 were laid together with Review and delay statement on the Table of Lok Sabha on 19.12.1994. As per the recommendation of the Committee contained in para 3.5 of their First Report (5th Lok Sabha), the aforementioned documents should have been laid by 31 December, 1993 *i.e.* within 9 months from the close of the accounting year. Thus, the period of delay involved in the case came to about 11½ months.

4.3 In the statement laid alongwith the Annual Report and Audited Accounts, the reasons for delay have been explained as under:—

“The dates on which various activities relating to auditing of accounts of the Council for the year 1992-93 and the preparation of annual report were completed, are indicated below:—

S. No.	Activities	Dates showing
1	2	3
1.	Completion of the accounts	18.8.1993
2.	Submission of the accounts to Audit	13.9.1993
3.	Receipt of the draft audited accounts/report from DACR	17.12.1993
4.	Reply given on points raised by the Audit in the draft report	27.12.1993
5.	Receipt of audited accounts (English version) from DACR	8.2.1994

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6.	Translation of the certified accounts into Hindi	27.12.1993
7.	Receipt of audited accounts/report (Hindi version) from DACR	26.4.1994
8.	Preparation of annual report	31.1.1994
9.	Preparation of Hindi version of annual report	12.4.1994
10.	Approval of annual report and audited accounts by the competent authority of the Council:—	
	(i) Annual Report	31.1.1994
	(ii) Draft Audited Accounts Report	12.1.1994
11.	Statement received in the Ministry from the Council	16.5.1994

As the statement was received in this Ministry only 16.5.1994 the same is now laid in the Parliament."

4.4 The Ministry of Health and Family Welfare (Deptt. of Health) who were requested to furnish information on certain points, have furnished the same as under:—

POINTS		REPLIES
1	2	3
I.	The dates when—	
(a)	The action was initiated for appointment of auditors;	18.8.1993
(b)	the auditors were appointed;	13.9.1993
(c)	the accounts of Pharmacy Council of India were ready for being handed over to auditors;	13.9.1993
(d)	the auditing of accounts commenced by the auditors and the time taken in it;	4.10.1993 to 12.10.1993
(e)	the annual report was finalised;	8.12.1993
(f)	the annual report and audited accounts were got approved from the Annual General Meeting/Governing Body/Executive Committee of the Council;	19.4.1994 (Executive Committee)
(g)	the annual report and audited accounts were taken up for translation and printing and time taken in it;	The Annual Report— from 23.3.1994 to 12.4.1994 The Audited Accounts— from 26.11.1993 to 27.12.1993

1	2	3																					
	(h) the Delay Statement and Review prepared by the Ministry; and	15.7.1994																					
	(i) the annual report and audited accounts along with review statement and delay statements were got authenticated from the Minister.	17.9.1994																					
II.	The latest position regarding finalisation of the annual report and audited accounts for the subsequent year 1993-94. When these are expected to be laid on the Table of Lok Sabha.	The Pharmacy Council of India has forwarded the Annual Report & Audited Accounts for the year 1993-94 on 21.12.1994 to this Ministry which is incomplete (only English version provided). The reports are expected to be laid on the Table of Lok Sabha in the coming Budget Session.																					
III.	The remedial measures taken or proposed to be taken both in the Ministry and Pharmacy Council of India to ensure timely laying of the Annual Reports and Audited Accounts within the prescribed period of 9 months from the close of the accounting years, in future.	The Ministry has been writing regularly to Pharmacy Council of India regarding early finalisation of the Reports and Audited Accounts. The Council is being reminded from time to time in this regard.																					
IV.	The dates on which the Annual Reports and Audited Accounts for the years 1989-90, 1990-91 and 1991-92 were laid on the Table of Lok Sabha.	<table> <tr> <th>Year</th><th colspan="2">Date of laying the Annual Report and Audited Accounts</th></tr> <tr> <td>1989-90</td><td>6.8.1991</td><td>5.8.1991</td></tr> <tr> <td></td><td>(Rajya Sabha)</td><td>(Lok Sabha)</td></tr> <tr> <td>1990-91</td><td>15.7.1992</td><td>14.7.1992</td></tr> <tr> <td></td><td>(Rajya Sabha)</td><td>(Lok Sabha)</td></tr> <tr> <td>1991-92</td><td>28.4.1993</td><td>29.4.1993</td></tr> <tr> <td></td><td>(Rajya Sabha)</td><td>(Lok Sabha)</td></tr> </table>	Year	Date of laying the Annual Report and Audited Accounts		1989-90	6.8.1991	5.8.1991		(Rajya Sabha)	(Lok Sabha)	1990-91	15.7.1992	14.7.1992		(Rajya Sabha)	(Lok Sabha)	1991-92	28.4.1993	29.4.1993		(Rajya Sabha)	(Lok Sabha)
Year	Date of laying the Annual Report and Audited Accounts																						
1989-90	6.8.1991	5.8.1991																					
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1990-91	15.7.1992	14.7.1992																					
	(Rajya Sabha)	(Lok Sabha)																					
1991-92	28.4.1993	29.4.1993																					
	(Rajya Sabha)	(Lok Sabha)																					

4.5 The Committee on Papers Laid on the Table in their Twenty-second Report (7th Lok Sabha) had observed as follows:—

“The Committee are distressed to note that the recommendation contained in paragraph 3.5 of their First Report (Fifth Lok Sabha) has not been adhered to by the Council and the Ministry of Health and Family Welfare. The justification given by the Ministry that the

Council has a very small establishment, and in the first quarter of the Financial year it is generally busy in arranging inspections during the examinations, in meeting the spill over expenditure and processing for the first instalment of the grant-in-aid and that the audit is generally taken in hand during the last quarter of the year as it suits the Auditors and the Council, is not convincing. A statutory requirement or direction from Parliament for laying the Report and Accounts has to be given precedence over all other considerations. The Committee trust that the Ministry in coordination with the Council will make positive arrangements in future so that the Annual Reports, Audited Accounts and the Audit Report together with the 'Review' are finalised expeditiously and laid on the Table of the House well within the stipulated period of 9 months from the close of the accounting year."

4.6 The Committee considered the matter at their sitting held on 17.11.1995.

4.7 The Committee are concerned to note that the Annual Report and Audited Accounts of Pharmacy Council of India, New Delhi for the year 1992-93 which were required to be laid on the Table of the House by 31 December, 1993 were actually laid on 19.12.1994 after a delay of about 11½ months.

4.8 The Committee are surprised to find from the information furnished by the Ministry of Health and Family Welfare (Department of Health) that the action for appointment of auditors was initiated as late as on 18.8.1993 and they were appointed on 13.9.1993 i.e. after 5½ months of the close of the accounting year. When the Ministry are very well aware that the audited accounts of the Pharmacy Council of India are required to be laid on the Table of the House, they should have taken appropriate steps for appointment of statutory auditors well before the close of the accounting year so that the auditors could have been appointed in time. The Committee recommended that action for appointment of auditors should be initiated well in time before the close of the accounting year so that the finalisation of audit report and annual report is not delayed because of the delay in appointment of auditors.

4.9 The Committee are unhappy to find from the information furnished by the Ministry that the annual accounts were compiled 4½ months after the close of the accounting year as against 3 months recommended by this Committee.

4.10 The Committee note with regret that an unduly long period of 8 months was spent at the stage of auditing of accounts from the date of submission of accounts of auditors on 13.9.1993 to receipt of audit report on 26.4.1994 from them. The Committee feel that the Ministry and the Council failed to pursue with the auditors for early auditing of accounts and consequently 8 months were allowed to lapse at the stage of auditing.

4.11 The Committee further note with concern that after receipt of the documents from the Council on 16.5.1994, for being laid on the Table of the House, the Ministry took 2 months in preparing Review and Delay Statement and thereafter 2 months in getting these documents authenticated from the Minister. Further, 3 months were taken in laying these documents after its authentication.

4.12 The Committee express their displeasure over the aforesaid chains of events which led to inordinate and avoidable delay in placing the documents before the House. The Committee are of the opinion that neither the Council nor the Ministry of Health and Family Welfare gave due importance to the timely laying of the documents on the Table of the House.

4.13 The Annual Report and Audited Accounts for the year 1993-94 which were required to be laid on the Table by 31.12.1994 were laid on the Table on 9.8.1995 after a delay of about 7 months. These documents for the year 1994-95 to be laid by 31.12.1995 are yet to be laid on the Table.

4.14. The Committee are distressed to note that despite their earlier recommendations made in their First Report (5th Lok Sabha) and Twenty-second Report (7th Lok Sabha), the documents are still being laid on the Table of the House with inordinate delays. The Committee feel that the Ministry of Health and Family Welfare and the Pharmacy Council of India had not been sincere enough in drawing up the time schedule and adhering to it. The Committee have taken a serious view of it and desire that the Council and the Ministry should be very careful in future in laying the documents on the Table of the House within the scheduled time.

4.15 The Committee also recommend that the time schedule so drawn up should be monitored and adhered to by both the Ministry and the Council at higher levels so that the Annual Reports and Audited Accounts are finalised as per schedule and are placed before Parliament well within 9 months of the close of the accounting year of the Council i.e. latest by 31 December every year.

NEW DELHI;
14 November, 1996

23 Kartika, 1918 (Saka)

SATYA NARAYAN JATIYA
Chairman,
Committee on Papers Laid on the Table.

APPENDIX

Summary of Recommendations/Observations contained in the Report

Sl. No.	Reference to Para No. of the Report	Summary of Recommendations/Observations
1	2	3
1.	1.6	The Committee are distressed to note that the Annual Report and Audited Accounts of Damodhar Cement and Slag Ltd. for the year 1991-92 which were required to be laid on the Table of the House by 31 December, 1992 were actually laid on the Table of the House on 17 August, 1994 with a delay of about 19½ months.
2.	1.7	The Committee find from the information furnished by the Ministry of Industry that 5 months were taken by the DCSL in compilation of their accounts instead of three months recommended by the Committee, 11 months were taken in auditing the accounts and giving replies to the queries sought by the Board of Directors instead of six months which also includes translation and printing. Not only the DCSL had taken too much time but the Ministry also took about 8 months in preparing delay and review statement. However, the Committee are happy to note that the Annual Report and Audited Accounts of DCSL for the year 1993-94 were laid on the Table of Lok Sabha on 21 December, 1994 i.e. well within 9 months of the closed of the accounting year as laid down by the Committee on Papers Laid. The Committee hope that the Annual Report and Audited Accounts of DCSL for the year 1994-95, which were due to be laid on the Table of the House by 31 December, 1995, will be laid without further delay.*

*Have since been laid on 6.3.1996.

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3. 1.8

For the timely laying of the Annual Reports and Audited Accounts of DCSL, the Committee feel that the DCSL should have an internal audit system so as to be able to compile their accounts in time. If the DCSL authorities find that there is a delay in the auditing of accounts they should remind the audit authorities to expedite auditing of their accounts and supply the audit report within the time frame given by the Committee on Papers Laid. The Committee also recommend that the DCSL in consultation with the Ministry of Industry should chalk out a time bound schedule and every stage involved therein right from the beginning of the compilation of accounts to the laying of reports should be monitored at some higher level in the DCSL as well as in the Ministry of Industry so that the Annual Reports and Audited Accounts of the DCSL could be laid on the Table of the House in time.

4. 2.6

The Committee regret to note that the Audited Accounts of the Central Pollution Control Board, Delhi for the year 1992-93 were laid on the Table of the House after a delay of about 11½ months, though the Annual Report was laid on the Table of the House on 21.12.1993 i.e. within the scheduled time. Further the Annual Reports for the subsequent years 1993-94 and 1994-95 have been laid on the Table after a delay of about 2 and 3 months respectively whereas the Audited Accounts for these years have not so far been laid.

5. 2.7

The Committee note that the Annual Reports in respect of the Board are not being laid together with the Audited Accounts and Audited Reports. The Committee feel that this is not in consonance with the recommendation of the Committee. The purpose of laying all these documents together is to enable the Members of Parliament to have a complete picture of the activities, performance and financial stability of the organisation. The Committee, therefore, recommend that the Ministry of Environment and Forests should lay on the Table of the House the Annual Report of the Board alongwith

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the audited accounts and Audit Report so that all the documents are available to the Members of Parliament at the same time.

6. 2.8

It is true that Section 40 of the Water (Prevention and Control of Pollution) Act, 1974 which provides for laying the Annual Report and Audited Accounts of the Central Pollution Control Board before the House of Parliament does not lay down any time limit for laying its audited statement of accounts. As a matter of fact, the time limit within which autonomous organisations should lay their annual reports before Parliament have not been specified in any Rule or enactment but through its recommendations made from time to time, the Committee on Papers Laid have stipulated that annual reports and audited accounts of different organisations should be laid in Parliament within a specified time i.e. within nine months of the close of the accounting year.

7. 2.9

On perusal of the information furnished by the Ministry of Environment and Forests, the Committee also find that the Ministry did not prepare and lay the Review statement on the Table of the House alongwith the documents. The attention of the Ministry is invited to the recommendation contained in para 4.18 of the Second Report (Fifth Lok Sabha) which states as follows:

“The Committee note that while laying the Report of a Government Company before Parliament the concerned administrative Ministry also lays alongwith the Report a Review on the working of that Company. However, in certain cases no such Review is laid on the Table. The Committee are of the view that even in cases where Government are in agreement with the information given in the Report of the Company and they have nothing to add, Government should lay on the Table alongwith the Report a statement saying that they are in agreement with the Report and hence no Review is being laid.”

8. 2.10

From the above, the Committee cannot but conclude that the recommendations of the Committee made from time to time have not been implemented

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with the seriousness they deserve. The Committee deplore the lackadaisical manner in which the things were handled by the Ministry. The Committee desire that the Ministry of Environment and Forests should in consultation with the Board and Audit Authorities chalk out a time schedule for completion of all the stages of finalisation of Annual Report and Audited Accounts in such a manner that Annual Reports and Audited Accounts together with the Audit Report and 'Review' are placed before Parliament simultaneously at the same time and within the prescribed period of nine months of the close of the accounting year.

9. 3.7 The Committee regret to note that the Annual Reports and Audited Accounts of National Academy of Ayurveda, New Delhi for the years 1991-92 and 1992-93 were laid on the Table of Lok Sabha on 23.12.1994 after a delay of about 24 months and 12 months respectively.

10. 3.8 The Committee find from the delay statement and subsequent information furnished by the Ministry of Health and Family Welfare that much of the delay took place in appointing the statutory auditors i.e. after 17 months of the close of the accounting year 1991-92. Further after receipt of final Audit Report, the Academy has taken about 2½ months in adopting them and about 6 months were taken in translation and printing of the reports. The Committee is surprised to note that after printing of the reports, the Academy has taken unduly long period of about 4 months in sending them to the Ministry for being placed before Parliament.

11. 3.9 The Committee find that the Annual Report and Audited Accounts for the year 1993-94 have been laid on the Table of Lok Sabha after a marginal delay of about 2½ months i.e. on 15.3.1995, but the documents for the year 1994-95 have not been laid on the Table of the House so far.

12. 3.10 The Committee stress the need for laying a time schedule for each and every stage right from compilation of accounts to the laying of these

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documents on the Table of the House. There should be proper coordination and interaction between the Ministry and the Academy and some senior officers should be given the responsibility to ensure that the time schedule is being adhered to at each stage, so that the Annual Report and Audited Accounts are laid in time in future.

13. 4.7

The Committee are concerned to note that the Annual Report and Audited Accounts of Pharmacy Council of India, New Delhi for the year 1992-93 which were required to be laid on the Table of the House by 31 December, 1993 were actually laid on 19.12.1994 after a delay of about 11½ months.

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15. 4.9

The Committee are unhappy to find from the information furnished by the Ministry that the annual accounts were compiled 4½ months after the close of the accounting year as against 3 months recommended by this Committee.

16. 4.10

The Committee note with regret that an unduly long period of 8 months was spent at the stage on auditing of accounts from the date of submission of accounts of auditors on 13.9.1993 to receipt of audit

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report on 26.4.1994 from them. The Committee feel that the Ministry and the Council failed to pursue with the auditors for early auditing of accounts and consequently 8 months were allowed to lapse at the stage of auditing.

17. 4.11

The Committee further note with concern that after receipt of the documents from the Council on 16.5.1994, for being laid on the Table of the House, the Ministry took 2 months in preparing Review and Delay Statement and thereafter 2 months in getting these documents authenticated from the Minister. Further, 3 months were taken in laying these documents after its authentication.

18. 4.12

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19. 4.13

The Annual Report and Audited Accounts for the year 1993-94 which were required to be laid on the Table by 31.12.1994 were laid on the Table on 9.8.1995 after a delay of about 7 months. These documents for the year 1994-95 to be laid by 31.12.1995 are yet to be laid on the Table.

20. 4.14

The Committee are distressed to note that despite their earlier recommendations made in their First Report (5th Lok Sabha) and Twenty-second Report (7th Lok Sabha), the documents are still being laid on the Table of the House with inordinate delays. The Committee feel that the Ministry of Health and Family Welfare and the Pharmacy Council of India had not been sincere enough in drawing up the time schedule and adhering to it. The Committee have taken a serious view of it and desire that the Council and the Ministry should be very careful in future in laying the documents on the Table of the House within the scheduled time.

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21.	4.15	<p>The Committee also recommend that the time schedule so drawn up should be monitored and adhered to by both the Ministry and the Council at higher levels so that the Annual Reports and Audited Accounts are finalised as per schedule and are placed before Parliament well within 9 months of the close of the accounting year of the Council <i>i.e.</i> latest by 31 December every year.</p>
