

**COMMITTEE
ON
PAPERS LAID ON THE TABLE
(1981-82)**

(SEVENTH LOK SABHA)

NINTH REPORT

(Presented on 24 December, 1981)



**LOK SABHA SECRETARIAT
NEW DELHI**

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PERSONNEL OF THE COMMITTEE ON PAPERS LAID ON THE
TABLE (1981-82)

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INTRODUCTION

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

2. On examination of certain papers laid on the Table of Lok Sabha during the Seventh Session of Sixth Lok Sabha and Third and Fourth Sessions of Seventh Lok Sabha, the Committee have come to certain conclusions in regard to the delay in laying before Parliament (i) Annual Accounts and Audit Reports of Indian Institutes of Technology; and (ii) Annual Reports of the Indian Iron and Steel Company Limited. The conclusions of the Committee are reflected in the Report.

3. On 14 July, 1981, the Committee took evidence of the representatives of the Ministry of Education & Cultural on delay in laying Annual Accounts and Audit Reports of Indian Institutes of Technology. On 6 November, 1981, the Committee took evidence of the representatives of the Ministry of Steel and Mines (Department of Steel) on delay in laying Annual Reports of the Indian Iron and Steel Company Limited.

4. The Committee wish to express their thanks to the officers of the Ministries of Education & Culture and Steel and Mines (Department of Steel) for placing before the Committee material and information which they desired in connection with the examination of the subject and for giving evidence before the Committee.

5. The Committee considered and adopted this Report at their sitting held on 23 December, 1981.

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

NEW DELHI;

23 December, 1981

8 Pausa, 1903 (Saka)

RAJENDRA KUMARI BAJPAI,

Chairman,

Committee on Papers laid on the Table.

CHAPTER I

DELAY IN LAYING ANNUAL ACCOUNTS AND AUDIT REPORTS OF INDIAN INSTITUTES OF TECHNOLOGY

Section 23(4) of the Institutes of Technology Act, 1961 provides:—

“The accounts of every Institute 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 the same to be laid before each House of Parliament.”

1.2. In paragraph 1.16 of their First Report (Fifth Lok Sabha), presented to Lok Sabha on 8-3-1976, the Committee on Papers Laid on the Table recommended that:—

“With a view to avoid delays in the laying of Reports and Accounts of autonomous organisations and in order to achieve some uniformity in this regard, the Committee recommend that after the close of the accounting year every autonomous organisation should complete its accounts within a period of 3 months and make them available for auditing. Auditing of the accounts and furnishing replies to audit objections, if any, and also translation and printing of Reports should be completed within the next six months, so that the Reports and audited accounts are laid before Parliament within nine months after the close of the accounting year unless otherwise stipulated in the relevant Act etc. under which the body has been set up. If for any reason the report and audited accounts cannot be laid within the stipulated period of nine months, the concerned 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.”

1.3. In paragraphs 1.12 and 1.14 of their Second Report (Sixth Lok Sabha), presented to Lok Sabha on 22-12-1977, the Committee further recommended that:

“1.12.... All Statutory/Autonomous Organisations, Public Undertakings, Corporations, Joint Ventures, Societies

etc., which are financed out of funds drawn from the Consolidated Fund of India, after being voted by the Parliament, in the form of shares, subsidies, grants-in-aid etc., either wholly or partly should lay their Annual Reports/Audit Reports (both English and Hindi versions) before both Houses of Parliament irrespective of the fact whether the Statutes, Rules or Regulations of such organisations provide therefor or not and whether they are registered under the Companies Act, 1956 or not.

- 1.14....Government might consider the feasibility of amending, where necessary, the relevant Statutes/Rules/Regulations of such organisations, to make it obligatory on the part of the administrative Ministry concerned to lay the Annual Reports/Audit Reports of such organisations under their administrative control before Parliament within nine months of the close of accounting year so that Parliament is apprised of their activities."

1.4. The Minister of Education and Social Welfare laid on the Table of Lok Sabha annual accounts and audit report thereon in respect of the Indian Institute of Technology, Kanpur for the year 1976-77 on 9 April, 1979, i.e. after 24 months of the close of the accounting year.

1.5. In the statement laid on the Table on 9-4-1979 showing reasons for delay in laying the accounts and audit report, the Ministry stated:

"The certified Annual Accounts and the Audit Report thereon (English and Hindi versions) in respect of the Indian Institute of Technology, Kanpur relating to the year 1976-77 were received from the Accountant General, Uttar Pradesh, Allahabad, on 7th February, 1979. Additional copies of the documents were received from the Institute on 16th March, 1979.

In view of the above, copies of the Report could not be laid on the Table of the House earlier."

1.6. On 13 July, 1979 the Ministry of Education and Social Welfare were requested to supply information on certain points. The points on which information was sought from the Ministry and replies of the Ministry thereto are as under:

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| <p>(1) When the annual accounts of the Institute for 1976-77 were actually completed and made available to the A.G., U.P. for auditing?</p> | <p>(1) The Annual Accounts for the year 1976-77 were finalised by the IIT, Kanpur and given to audit for checking in June, 1978.</p> |
|---|--|

- (2) Whether after the submission of the accounts to the A.G., U.P. any follow up action was taken to get auditing of the accounts expedited: if so, the precise action taken in the matter.
- (3) Whether the recommendation of the Committee made in para 1.16 of their First Report (Fifth Lok Sabha)—presented to Lok Sabha on 8-3-1976—which requires laying of the accounts and Audit Report within 9 months of the close of the accounting year, was brought to the notice of all the Institutes of Technology; if so, when this was communicated to the IIT, Kanpur.
- (4) Whether the Ministry are aware of the recommendation of the Committee made in para 1.14 of their Second Report (6LS); if so, what action has so far been taken to amend section 23 of the Institutes of Technology Act, 1961 to provide for laying of the certified accounts and audit reports of the Institutes before Parliament within 9 months of the close of the accounting year.
- (5) If no action has so far been taken on the above recommendation, the reasons therefor.
- (2) The accounts were checked and audited by A.G., U.P. in July, 1978. There is, therefore, no time lag between the submission of final accounts and their audit.
- (3) Yes. The recommendations contained in para 1.16 of the 1st Report of the Committee which require laying of the accounts and audit report within 9 months of the close of the accounting year were circulated to the IITs on 8th April, 1976 for compliance.
- (4) & (5) The recommendations made by the Committee in para 1.14 of their 2nd Report (6LS) was considered in the Ministry in consultation with the Ministry of Law. As far as the audit reports are concerned, there is already provision in Section 23(4) of the IIT Act, 1961 to lay the accounts of every Institute as certified by the C&AG or any other person appointed by him in this behalf together with the Audit Report thereon before each House of Parliament. There is no provision in the IIT Act for laying of Annual Reports of IITs in Parliament. However, in accordance with the recommendations made by the Estimates Committee in its 19th Report which were accepted by the Government, the Annual Reports of IITs are laid on the Table of both Houses of Parliament every year.

Ministry of Law were, however, consulted as to whether in view of the recommendations of the Committee on Papers laid in Parliament, the IIT Act be suitably amended so as to make it obligatory to lay the Annual Report of IITs on the Table of both Houses of Parliament.

The advice of Ministry of Law is quoted below :

“There is no difficulty in laying the Annual Report on the Table of the Parliament without there being a provision in the IIT Act. There is, therefore, no immediate necessity to amend the same. The Committee on Papers laid in Parliament in its report referred to above, have also not recommended the amendment of the Act in that regard. They have only recommended the amendment of by-laws etc.”

We are of the view that the amendment of the IIT Act for the purpose may not be taken up now but when any other amendments to the Act are taken up, the present proposal may also be got through at that time.

In view of Ministry of Law's advice, it was decided that the amendment of IIT Act need not be taken up".

1.7. At their sitting held on 20 September, 1980, the Committee considered the explanation given by the Ministry of Education and Social Welfare in regard to delay in laying the annual accounts of I.I.T., Kanpur and the periods of delay involved in laying the annual accounts of other I.I.Ts. The Committee noted that out of all the I.I.Ts., the I.I.T., Kanpur trailed behind with considerable delays in laying its accounts for 1975-76, 1976-77 and 1977-78. Even the Accounts for 1978-79 of the Institute which should have been laid on the Table by 31 December, 1979, had not been laid till then although other I.I.Ts., had already done that. The Committee decided that the representatives of the Ministry of Education and Culture might be called to appear before them to explain the delay.

1.8. At the sitting of the Committee held on 14 July, 1981, the representatives of the Ministry of Education & Culture appeared before the Committee to give oral evidence on the subject.

1.9. On being enquired about the reasons for the persistent delays on the part of I.I.T., Kanpur in compiling the accounts for the last 5 years and making them available to Audit, the Secretary, Ministry of Education and Culture submitted that there was a lapse in submission of the reports, particularly in respect of I.I.Ts., Kanpur and Kharagpur. He attributed this lapse to the disturbed conditions in these I.I.Ts. for quite some time, particularly in I.I.T., Kanpur. Admitting delay, the witness, however, stated:

"While going deeply into the reasons we also feel that despite all our efforts there has been some delay because the accounts people in these I.I.Ts. have not been so well-equipped to cope with the work. We will have to take that into account."

He further stated:

"Our effort has been that they should pay constant attention to the maintenance of proper accounts. As regards

Kanpur and Kharagpur there are two or three things which are particularly responsible and that is why we want you to take note of the reasons. One is delayed receipt of bank accounts from the State Bank of India. Unless reconciliation with the State Bank is done, it is difficult for the I.I.Ts. to make the records and accounts available to the Accountant General. The Director of I.I.T. in Kanpur has himself taken up now with the General Manager of the State Bank of India so that with his personal contact it should be possible that reconciliation is done in time. Another reason for delay is that the accounting for a particular year is done in the subsequent years.

The I.I.T. has a vicious circle in this regard. Now the effort is to break through that vicious circle so that every year within the period directed by the Committee the accounts are submitted. The other thing which I would like to mention is that there have been some delays in the office of A.G. also."

1.10. On being pointed out that there was no delay on the part of the Accountant General, U.P. in auditing the accounts of IIT Kanpur for 1976-77 because the accounts for this year were finalised by the Institute in June, 1978, i.e. 15 months after the close of the accounting year and were checked and audited by the Accountant General in July, 1978, the Director of I.I.T., Kanpur stated that the auditing of accounts was done in July, 1978 but the final audit report was received in February, 1979 i.e. 7 months after auditing of accounts.

1.11. As regards delay in compilation of accounts for the year 1978-79, the witness informed that the accounts were reconciled in March, 1980, audited by the Accountant General, U.P. in June, 1980 and the report was received in July, 1981. In this connection, the Secretary, Ministry of Education and Culture, however, stated that:

"Basically it is for the I.I.T. itself to ensure that within the stipulated time the accounts are submitted."

1.12. On his attention being drawn to the statement laid on the Table of Lok Sabha on 2-2-1980 in respect of I.I.T., Kanpur, wherein it was stated that the accounts could not be laid on the Table of the House in time because inspite of repeated reminders and

requests the Institute had not finalised the Accounts and submitted the same to the Accountant General, U. P. for audit and further the delay in receipt of the Audit Report from the Accountant General might have occurred because the audit queries might not have been resolved in time, the representative of the Institute informed the Committee that there was no time lag in submission of replies to various Audit queries.

1.13. On being asked about the checks being exercised by the Ministry to ensure submission of accounts by I.I.T. in time and their laying before Parliament within the stipulated period, the witness informed that the Ministry of Education and Culture had advised the I.I.T. in June, 1978 to get an expert's opinion on their rules and procedure for maintenance of accounts. He further added that the Finance Committee, after considering the report given by Dr. Govindrajan, an expert there, had ordered that, keeping in view the rules and procedure, the recommendations contained in the report should be implemented.

1.14. In reply to a query whether any time schedule had been laid for finalisation of accounts, the Director of the Institute stated:

"This has been laid down in the procedure. Delays have occurred but it has not been pin-pointed why delays have been there."

He, however, conceded that it was quite possible to lay the time schedule.

1.15. On being pointed out that the accounts of the last 5 years of all I.I.Ts. had not been laid on the Table in time, the representative of the Ministry stated that by and large the I.I.Ts. at Madras and Delhi had been laying the accounts in time but in the case of other Institutes, like Kharagpur and Kanpur, it was the Ministry's endeavour to see that they submitted their accounts in time.

He further added:

"I would like to submit that on going into the records, within my limited experience, I feel that probably another 2-3 months' time is needed for compiling the Accounts. If a consistent effort is made, by stipulated time, it should be possible to compile the Accounts. Probably, a little more flexibility may be allowed."

1.16. When enquired whether there was any cell in the Ministry to see that the accounts were received from the I.I.Ts. in the Ministry in time, the representative of the Ministry stated that the Technical Education Wing in the Ministry looked after these I.I.Ts. He also stated that there was a separate cell in the Ministry who looked after and coordinated the work of all other wings. Explaining further the witness stated that a cell had been set up in the Ministry under the charge of a Deputy Secretary, with a few other officers under him. It had been decided to put up all letters to the Secretary at dak level and the follow up action came under the purview of the Deputy Secretary. It was the Ministry's endeavour to hold a meeting of all the Bureau Heads every month to take stock of all important issues as also the pending work relating to the Parliamentary Committees.

1.17. When asked why the Annual Reports, audited accounts and Audit Reports of I.I.Ts. were not laid together before Parliament, the witness stated:

"The Audit Report has also to catch up with them and only thereafter we can submit them at one time. The Annual Report is prepared in time. The machinery as well as the procedure so far are not adequate to cope up with the work."

1.18. On his attention being drawn to the fact that the certified accounts for 1979-80 of I.I.Ts. Kharagpur and Delhi had not been laid on the Table, the representative of the Ministry informed that English and Hindi versions of Annual Accounts of I.I.T. Delhi were received by the Accountant General on 23rd June, 1980 and 23rd January, 1981 and the accounts were audited from 30th July to 27th November, 1980. As regards IIT Kharagpur, the witness explained that the accounts for 1979-80 were submitted in July, 1980 and were audited from 15-7-1980 to 4-10-1980. The Audit Report was received in the Ministry in April, 1981 and had been sent by the Institute for printing.

1.19. On a suggestion being made that there should be some monitoring cell in the Ministry which should remain in constant touch with the IITs to ensure adherence to the time schedule, the representative of the Ministry informed the committee that in accordance with the recommendations of the Committee instructions had been issued to all IITs for adhering to the time schedule. As regards monitoring of information, the witness informed that

he proposed to take up this matter in August or September, 1981. Elaborating further he stated:

“There is a Council for the Institutes of Technology, which is a high level body with the Education Minister as the Chairman. This is one of the items which is proposed to be discussed then, so that there will be an awareness, apart from many things, about the running of the Institute, that the administration and accounts part of it also should receive adequate and timely attention. I would submit on behalf of the Ministry that it will be our constant endeavour to see that these accounts are prepared in time and submitted to the Parliament.”

1.20. Regarding laying of accounts of I.I.T. Kanpur, the Committee were informed that the accounts for 1978-79 would be submitted during the ensuing session (Monsoon Session) and efforts would be made to lay the accounts for 1979-80 as soon as possible.

1.21. On his attention being drawn to the stereotyped statements laid on the Table explaining the reasons for delay, the witness stated that in future the actual reasons would be given in the delay statements.

1.22. A statement showing the dates of laying of the Annual Reports and Audit Reports of I.I.Ts. for the years 1975-76, 1976-77, 1977-78, 1978-79 and 1979-80 and the extent of delay involved in each case is at Appendix. I

1.23. The Committee feel concerned to note that the audited accounts of the Indian Institute of Technology, Kanpur for the years 1975-76, 1976-77, 1977-78 and 1978-79, which were required to be laid on the Table within 9 months of the close of the relevant accounting year as per recommendations of the Committee made in paras 1.16 and 3.5 of their First Report (Fifth Lok Sabha) were actually laid on 15th May, 1978, 9th April, 1979, 28th January, 1980 and 3rd September, 1981 i.e. after a delay of 16½ months, 15 months, 13 months and 20 months respectively. It is regrettable that although the audited accounts for the year 1980-81 have become due for laying yet the audited accounts for 1979-80, which ought to have been laid by 31st December, 1980, have not so far been laid.

1.24. The Committee further note from the statement (Appendix I) that the position in respect of the Indian Institute of Technology,

Kharagpur, is no better. The audited accounts of the Institute for the years 1975-76, 1976-77, 1977-78 and 1978-79 were laid on the Table after a delay of 15½ months, 8 months, 13 months and 6 months, respectively and of 1979-80 are yet to be laid. The Committee also find that the audited accounts of the last 5 years in respect of none of the Institutes have been laid on the Table within the period prescribed by the Committee. The Committee also find that their recommendations for laying the audited accounts within 9 months of the close of the accounting year were circulated by the Ministry to all the Institutes on 8th April, 1976 but the delays still persist and no serious and concerted efforts seem to have been made either by the concerned Institute or the Ministry to eliminate delays and to adhere to the time schedules laid down by the Committee. The Committee need hardly point out that such delays deprive Members of Parliament of timely information about the financial health and working of the Institutes.

1.25. The Committee are, therefore, constrained to observe that such inordinate delays are unpardonable and are not justifiable by any standard.

1.26. The Committee hope that the audited accounts and Audit Reports thereon in respect of Indian Institutes of Technology, Kanpur and Kharagpur for the year 1979-80 would be laid on the Table without any further delay, alongwith a statement giving reasons for the delay, and audited accounts for 1980-81 would be laid before Parliament in time. The Committee trust that such delays would not recur.

1.27. From the information supplied by the Ministry of Education and Culture, the Committee note that the annual accounts for the year 1976-77 were finalised by the Indian Institute of Technology, Kanpur and given to Audit for checking in June, 1978, i.e. 15 months after the close of the accounting year. The accounts were checked and audited by the Accountant General, Uttar Pradesh in July, 1978 but the certified accounts and Audit Report thereon were received on 7th February, 1979 i.e. after 6 months. Again the annual accounts for 1978-79 were reconciled in March, 1980 (after one year) and were audited by the Accountant General in June, 1980. The Audit Report was received in July, 1981, after 13 months.

1.28. From the chain of events the Committee find that apart from the Audit being responsible for taking a long time in auditing the accounts and furnishing Audit Reports thereon, the Indian Institute of Technology, Kanpur, was mainly responsible for contribut-

ing towards delay because the Institute took inordinately long time in finalising the accounts every year. The Committee have no doubt that if the Institute takes more than a year to finalise its accounts, the Audit will also take some time in auditing them and giving their Audit Report on the accounts. The representative of the Ministry had also admitted during evidence that 'Basically it is for the I.I.T. itself to ensure that within the stipulated time the accounts are submitted'.

1.29. The Committee are, therefore, of the view that unless proper time schedules are laid down at every stage, right from the finalisation of accounts to their laying before Parliament and periodic checks are exercised by the Ministry of Education and Culture to see that these are being strictly observed, no appreciable improvement is likely to be made and the Institutes will never become up-to-date.

1.30. The Committee, therefore, recommend that the Ministry of Education and Culture should lay down a time bound programme in consultation with the concerned institutes and the Audit authorities, to complete all formalities within the time limit prescribed by the Committee and watch its implementation with a view to ensure that the audited accounts of all the Institutes of Technology are laid before Parliament in time.

1.31. The Committee note that the Annual Reports, audited accounts and Audit Reports thereon of all the Institutes are not laid before Parliament together. The Committee further note that the audited accounts of the Institutes are laid much after laying their Annual Reports. The Committee feel that unless both the Annual Report and audited accounts of each Institute are laid together before Parliament a complete picture about the working and activities of the Institute does not emerge. The very purpose of laying these papers is defeated because the Members will not be able to assess performance of every Institute in its true perspective and express their views thereon at the time of voting on demands for grants of the Ministry of Education and Culture. The Committee, therefore, recommend that the Annual Report, audited accounts and Audit Report in respect of each Institute should be laid on the Table simultaneously within the period prescribed by the Committee.

CHAPTER II

DELAY IN LAYING ANNUAL REPORTS OF THE INDIAN IRON AND STEEL COMPANY LTD.

The Annual Report of the Indian Iron and Steel Company Limited for the year 1977-78 was laid on the Table of Lok Sabha on 13th June, 1980, along with 'Review' and a statement explaining reasons for the delay in laying the Report, under Section 619(1) of the Companies Act, 1956. In terms of the recommendation of the Committee made in paragraph 4.16 of their Second Report (Fifth Lok Sabha) the Report should have been laid on the Table by 31 December, 1978. Thus it involves delay of 17½ months.

2.2. In the statement the reasons for the delay have been explained as under:

"The printed copies of the Annual Report of Indian Iron and Steel Company Limited for the year 1977-78 were received from the Company on the 13th February, 1980. According to the recommendations of the 'Committee on Papers Laid on the Table of the House', the Annual Report and the Audited Accounts of the Company for the year 1977-78, along with Government's review on the working of the Company should have been laid before the Lok Sabha/Rajya Sabha on or before the 31st December, 1978. It is regretted that due to the delay on the part of Indian Iron & Steel Company Limited in printing and supplying copies of the Annual Report this could not be laid in time."

2.3. On being enquired why it took IISCO 8 months (Appendix II) to hand over the draft accounts for 1977-78 to the Auditors (on 22nd December, 1978) when the Statutory Auditors had been appointed by the Company Law Board on 14th April, 1978, the Ministry of Steel and Mines stated as under:

"Due to certain industrial relations problems in the Accounts Department of IISCO, the accounts for the earlier year (i.e. 1976-77) could not be finalised in time. These were adopted at the Annual General Meeting held on 9th May, 1978. Consequently, there was delay in the finalisation

of the accounts for the year 1977-78 which were handed over to the Statutory Auditors on 22nd December, 1978, though they were appointed on 14th April, 1978."

2.4. As regards delay in laying the Annual Report of the Company for 1978-79, the Ministry explained as under:

"As the industrial relations problems in the Accounts Department were continuing and due to the delay in adopting the accounts for 1977-78 as late as 30th July, 1979, the accounts for 1978-79 also got delayed and these could be adopted at the adjourned Annual General Meeting only on 29th September, 1980. Printed copies of the reports and accounts for 1978-79 were received in the Department of Steel in the second week of November 1980. Action is being taken to lay the Annual Report for 1978-79 during the current session of Parliament itself."

2.5. In reply to a query whether the Annual Report of the Company for 1979-80 would be laid on the Table within the stipulated period of 9 months, the Ministry stated:

"Indian Iron and Steel Company Ltd. are making every effort to complete the accounts for 1979-80 by the 15th January, 1981, and thereafter these will be handed over to the Statutory Auditors. It is expected that the accounts would be ready for adoption by the shareholders by March, 1981. From the above, it would be seen that it would not be possible to lay the Annual Report for the year 1979-80 on the Table of the House by 31st December, 1980."

2.6. Regarding the action taken by the Ministry to ensure timely submission of Reports by IISCO to the Ministry for laying before Parliament, the Ministry informed that:

"The importance of laying the Annual Report before Parliament within 9 months after the close of the financial year has been stressed on the Steel Authority of India Ltd. Delays have, however, occurred due to industrial relations problems in the Accounts Department of IISCO. All efforts are being made to ensure that such delays do not occur in future."

2.7 The Annual Report of the Company for the year 1978-79 was laid on the Table of Lok Sabha on 19th December, 1980 along with

'Review' and a statement explaining the reasons for delay in laying the Report after about a year of the prescribed period.

2.8. In the delay statement the Ministry stated that printed copies of the Annual Report of the Company for 1978-79 were received from the Company on 10th November, 1980, i.e. 10 months after the stipulated period of 9 months. In this case also the Company took more than 8 months in making the draft accounts available to the Auditors on 3rd April, 1980, after their appointment on 23rd July, 1979 (Appendix III).

2.9. At their sitting held on 6th November, 1981, the Committee also heard oral evidence of the representatives of the Ministry of Steel & Mines and the Indian Iron and Steel Company.

2.10. During the course of evidence, the special Secretary, Ministry of Steel and Mines, (Department of Steel) stated that recommendation of the Committee contained in para 4.16 of their Second Report (Fifth Lok Sabha) stipulating a period of nine months after the close of the accounting year for laying the reports of Government companies on the Table, was communicated to the Indian Iron & Steel Company Limited in June, 1976. He also added that a circular on the same subject issued by the Bureau of Public Enterprises was again sent by the Department of Steel to IISCO followed by a second reminder on 18-5-1977. Admitting delay in laying the Annual Reports and Accounts for the years 1977-78 and 1978-79 on the Table of Lok Sabha, the representative of the Ministry stated:

"At the outset, I would like to say that there is, no doubt, a very regrettable delay which did take place in placing on the Table of the House the Annual Reports and Accounts for the years 1977-78 and 1978-79. I am not here to defend that delay. But I suppose, my main job here is to explain how that delay took place."

2.11. Explaining the background of the Company, the representative of the Ministry stated that IISCO was in the private sector until the year 1972. As the Company was not operating well, production was going down and the financial condition was in complete shambles. The Government was compelled to take over initially the management of the company on 14th September, 1972. For further improvement, it was decided on 17th July, 1976 to acquire shares held by private persons and an Act was accordingly passed.

After acquisition of shares, certain major changes and reforms in the Company were introduced. In order to restore financial condition, it was decided to shift the accounts department of the Company from Calcutta to Burnpur and to streamline the accounts by introducing a certain degree of computerisation and mechanisation. That led to industrial relations problems and restrictive practices being indulged in and also delaying the passing of accounts etc. That really would in a great measure explain how from the accounting year 1976-77 itself, certain delay in the finalisation of annual accounts started taking place. Unfortunately this industrial relations problems continued for a long period, the representative explained, although very serious efforts were made and negotiations were all along going on with the representatives of the unions, these could not really succeed until very recently. He further stated that in May, 1981, all these differences were sorted out and a settlement reached and hoped that accounts in future would be prepared promptly and laid on the Table of the House in time.

2.12. On being asked how the industrial relations problems were related to the delay in the submission and laying of the Accounts and Annual Report, the representative of the Ministry explained:

"Firstly, we have to understand the nature of the industrial relations problem. In the initial years much of the attention of the management of IISCO was necessarily concentrated on improving the production. That received top priority. That does not mean that accounts had to be neglected. The problem consisted essentially of certain restrictive practices whereby there was deliberate delay in the passing of bills. The workers confined themselves to passing only a certain number of bills and beyond that, they would not do. At the same time, the management felt that giving overtime or appointing more persons would lead to more complication and problems..... Although the decision to shift the headquarters of accounts branch to Burnpur was taken, its actual implementation posed difficulty. Because of that, a number of people who should have shifted to Burnpur, did not actually move. This really hampered the proper and smooth running of the accounts branch."

2.13. As regards the present position of the problem, another representative stated that on 15th May, 1981, a package deal had been arrived at with the unions with the understanding that nobody

would be shifted from the Calcutta office but the vacancies arising due to retirement or leaving the office by somebody would not be filled. Thus, subsequently manpower in Calcutta office had been reduced considerably and the Accounts Branch in Burnpur was also functioning properly.

2.14. On being pointed out that in an industry, industrial relations problem was a routine affair and should not be given as an excuse for delay in laying the report, the representative conceded that the Ministry did not intend to give any excuse or justification for the delay.

2.15. As regards delay, the representative of the Ministry again reiterated that due to certain industrial relations problems in the Accounts Department of IISCO, the accounts for the earlier years could not be finalised in time. He also added that the Annual Report and accounts for 1979-80 had been finalised and were under print. The Ministry hoped to lay them on the Table by the end of the current year. The Report and audited accounts have since been laid before Parliament on 18-12-1981.

2.16. He, however, assured that it would be possible to lay report for the next year, i.e. for the year 1980-81 on the Table of the House by June, 1982, thereby reducing the time gap of laying reports from 17 months to 6 months.

2.17. As regards printing of Report, the representative explained that the Company itself was responsible for the printing. When pointed out that it took about 6 months for printing of Reports of 1978-79, the representative stated that apart from printers' strike, there was the problem of power shortage in Calcutta and they were taking care of those points.

2.18. On a suggestion, the representative of the Ministry assured that necessary steps would be taken to ensure that printing of reports and appointment of auditors was made in time.

2.19. In reply to a query whether any concrete steps had been taken by the Ministry to adhere to the time schedule for finalisation of accounts, the Special Secretary of the Ministry stated:

"So far as finalisation of accounts is concerned, it is the end of September of the year following the one to which the Accounts relate and so far as laying these reports on the Table of the House is concerned, it has to be done

by December of the year following the one to which these accounts relate. About further break-up of these dates, I would submit that this is not really perhaps necessary for the Ministry to lay down any schedule in this regard because by and large, it would depend upon the size of the Company, upon its order of financial turnover etc. and as I mentioned in the beginning, the mere fact that while we have 13 public sector undertakings, we have been able to adhere to the time schedule in all other cases, would indicate that any further refinement of these broad guidelines is perhaps not called for and by and large this thing is working and I have every confidence that it would work even in regard to IISCO now that the industrial relations problem has been satisfactorily settled."

2.20. In reply to a suggestion that there should be some special cell in the Ministry which should work as a watch-dog to deal with such delays and follow up action thereon, the Special Secretary informed that:

"... all work relating to Parliament is given the topmost priority in the Steel Ministry and we have a special Parliament Cell which is supposed to deal all matters relating to Parliament. But on the specific point whether we have a cell only to check whether these reports are being laid on the Table of the House, I would submit that this is part of the essential functions of the various sections which deal with these Companies and it is their bounden duty to see that the Companies which they are looking after adhere to the time schedule which has been laid by the Parliament."

2.21. When his attention was drawn to the fact that even after reply of the Ministry dated 15-12-1980 to ensure that no delay would occur in future, there was delay again, the representative explained that the assurance was given on certain expectations that the negotiations which were taking place to set right the industrial relations problem would succeed and would be able to present the reports in time. But unfortunately those expectations did not materialise.

2.22. The Committee then drew attention of the witness to the fact that the Annual Report of the Company for the year 1978-79 was laid on the Table on 19-12-1980, along with the statement explaining the reasons for the delay. Had there been any special cell

in the Ministry, at least the statement explaining reasons for the delay would have been laid on the Table in time. But that was also laid one year after that. To this, the representative said that it should have been submitted earlier.

2.23. While noting the fact that the appointment of statutory auditors was made four months after completion of the Plan year, the Committee enquired whether the statutory auditors were appointed *suo motu* or at the initiative of the Ministry, the representative (Vice-Chairman) of the SAIL explained:

“When IISCO became a government company, it had to undergo audit by statutory auditor and later on by CAG. Initially this is moved to C & AG and recommended by them to the Company Law Board and thereafter their appointment takes place, on the recommendation of the C & AG.

C & AG keeps a panel of auditors and they select the auditors, recommend to the Company Law Board and we get the name when they have been appointed as an auditor. Thereafter they start their work.

After they have completed the work and given a Report on the adopted Accounts for the year then it is given to the Government auditors for further check up.”

2.24. On being further probed as to who takes the initiative in the appointment, the spokesman continued:

“C & AG on receipt of request from the Company. Once the accounts of the previous year have been adopted, then based on the report of the work of that auditor, they appoint him. If in one year there is delay in the finalisation of the accounts, natural sequence follows and C & AG takes action to appoint auditors for the succeeding year.”

2.25. In reply to a suggestion for timely appointment of the auditors, the representative added:

“I agree, it is preferable to have the appointment as early as possible so that they can take up the work even before the year is closed. But here the auditors were appointed after the close of the year. Since the appointment is recommended by the C & AG we go on pressing him. But he has some compulsion—until the previous year’s work is over how can he proceed.

For 1978-79 the appointment of the Auditors was made while the Government audit for 1977-78 was in progress and that was done on 23-7-1979.

For 1977-78 in its next year the Government audit was completed. It was taken up on 3-5-1979 and completed by 28-7-1979. They also appointed for 1978-79, simultaneously on 23-7-1979. Once they get accounts of the previous year duly audited by the auditor, they examine and then they make appointment for the next year."

2.26. The Committee then drew attention of the representatives of the Ministry to the fact that the appointment of statutory auditors by the Company Law Board for 1978-79 was made on 20-3-1979 whereas the draft accounts were handed over to the auditors on 3-4-1980, i.e. the statutory auditors were appointed before the C & AG could see the draft accounts of the Company. When asked, if the C & AG could recommend and the Company Law Board could appoint statutory auditors in this case in advance of the submission of draft accounts and also in subsequent cases, the spokesman of the SAIL explained:

"the accounts were finalised and handed over to the Government auditors on 3-5-1979 and they appointed auditors on 23-7-1979 for the subsequent year. What the C & AG wants to see is whether the auditors appointed for the company are exercising necessary audit or not. The Government auditors started the work on the accounts for the year 1977-78 after the receipt of the report of the statutory auditors."

2.27. On a further question, the spokesman continued:

"We ourselves are interested to see that the auditors are appointed earlier. The earlier the auditors are appointed, the more beneficial it is because they can start the work earlier. But what really happens is that we go on reminding the C & AG. They appoint the same auditors for a period not more than three years. If the same auditors are appointed in the next year, then time taken is shorter. But when they change the auditors, after three years, then

it takes a longer time. They have a panel of names of the auditors and they select from that. It is very much appreciated from our point of view also if the auditors are appointed earlier."

2.28. To a specific question, the spokesman replied that the same auditors were appointed for the years 1977-78 and 1978-79 on 14-4-1978 and 23-7-1979 respectively. He also assured that in future they would follow this matter (appointment of auditors) more vigorously.

2.29. The Committee are distressed to note that the Annual Reports and audited accounts of the Indian Iron and Steel Company Limited for the years 1977-78, 1978-79 and 1979-80, which in terms of the recommendation of the Committee made in para.4.16 of their Second Report (Fifth Lok Sabha) should have been laid by 31st December, 1978, 31st December, 1979 and 31st December, 1980, i.e. within 9 months of the close of the relevant year were actually laid on 13th June, 1980, 19th December, 1980 and 18th December, 1981, after a long delay of 17½ months in the first case and of about one year in each of the latter two cases. The Committee further note that the Annual Report and the audited accounts for 1980-81 have also become due for laying.

2.30. As regards delay in finalisation of accounts the Committee were informed that since the financial condition of IISCO was in complete shambles, the Government were compelled to take over the management of the Company on 14th July, 1972 and on 17th July, 1976 it was decided to acquire shares held by private persons and an Act to that effect was passed. The delay in finalisation of accounts started from accounting year 1976-77 as the introduction of certain major changes and reforms in the Company led to industrial relations problems, which were sorted out and settled in May, 1981. The Committee were assured that the accounts in future would be prepared promptly and laid on the Table of the House in time.

2.31. The Committee are not convinced with the arguments advanced by the Ministry in support of delay on the part of the Company in the finalisation of accounts because industrial relations problem is not a new phenomenon prevalent only in the Indian Iron and Steel Company but a routine affair in every industry. The Committee have no doubt that the delay in finalisation of accounts occurred year after year due to lack of planning and fore-sight on

the part of the management of the Company. The Committee are of the view that the accounts of the Company had fallen into arrears because the management did not attach due importance to this aspect. The Ministry of Steel and Mines cannot absolve itself of the responsibility because they also did not impress upon the Company the need of finalising the accounts in time.

2.32. The Committee are, therefore, constrained to observe that despite the clear guidelines laid down by them as far back as 12th May, 1976 in para 4.16 of their Second Report (Fifth Lok Sabha) for laying Reports of Government Companies on the Table, the prescribed time schedule has not been adhered to by the Company and the Ministry of Steel and Mines.

2.33. The Committee need hardly stress that such inordinate delays keep Parliament in the dark about the financial position of the Company where huge sums of money are invested by Government. The very idea of accountability of the Government to Parliament is frustrated if Parliament is not informed by the Government about the performance, achievements and shortcomings of the companies under their control within a reasonable time after the close of the accounting year. In the absence of such information Parliament finds itself totally helpless in fully appreciating the performance of the Company.

2.34. The Committee trust that the Annual Report and audited accounts of the Indian Iron and Steel Company Limited for the year 1980-81 would be laid on the Table, without any further delay along with a detailed statement spelling out the reasons for delay. The Committee also hope that in future the prescribed time limit will be observed by IISCO and the Ministry will watch progress of finalisation of Reports and Accounts from time to time with a view to ensure that these do not go into arrears.

2.35. From the information supplied by the Ministry (Appendix II), the Committee find that the Company Law Board appointed Statutory Auditors for 1977-78 on 14th April, 1978, but the draft accounts were handed over to them by the Company on 22nd December, 1978, i.e., after 8 months. Similarly, the Statutory Auditors for 1978-79 were appointed by the Company Law Board on 23rd July, 1979 and the draft accounts were handed over to them by IISCO on 3rd April, 1980, again after 8 months (Appendix III).

2.36. The Committee strongly deprecate the persistent delays on the part of IISCO in finalising the annual accounts and making them available to Statutory Auditors for auditing.

2.37. The Committee hope that in future the Indian Iron and Steel Company will finalise the accounts, get them audited and lay the Annual Report and the audited accounts before Parliament within the period prescribed by the Committee in para 4.16 of their Second Report (Fifth Lok Sabha), i.e. within 9 months from the date of closing the accounts.

NEW DELHI;

23 December, 1981

2 Pausa, 1903 (S).

RAJENDRA KUMARI BAJPAI,

Chairman,

Committee on Papers laid on the Table.

APPENDIX I

(Vide Para 1-22 of Report)

Statement showing the names of the IITs, the dates on which their Annual Report/Audit Report for the years 1975-76, 1976-77, 1977-78, 1978-79, and 1979-80 were laid on the Table of Lok Sabha and the period of delay involved in each case.

IIT	Annual Report laid on	Certified accounts and Audit Report laid on	Period of delay in laying audited accounts as per recommenda- tion of the Committee
1	2	3	4
1975-76			
IIT Kharagpur	29-10-1976 (English) 3-11-1976 (Hindi)	17-4-1978 (English) 24-4-1978 (Hindi)	15½ months
IIT Bombay	31-8-1976 (English) 19-12-1977 (Hindi)	20-6-1977 (English) 28-11-1977 (Hindi)	about 6 months
IIT Madras	3-11-1976 (both versions)	7-4-1977 (English) 20-6-1977 (Hindi)	3 months
IIT Kanpur	13-6-1977 (both versions)	15-5-1978 (English) 26-7-1978 (Hindi)	16½ months
IIT Delhi	3-11-1976 (English) 4-4-1977 (Hindi)	4-7-1977 (English) 19-12-1977 (Hindi)	6 months
1976-77			
IIT Kharagpur	12-12-1977 (both versions)	28-8-1978 (English) 27-11-1978 (Hindi)	8 months
IIT Bombay	23-12-1977 (English) 15-5-1978 (Hindi)	27-11-1978 Do.	11 months
IIT Madras	27-3-1978 (both versions)	27-3-1978 (both versions)	3 months
IIT Kanpur	6-3-1978 (both versions)	9-4-1979 (both versions)	15 months
IIT Delhi	23-12-1977 (English) 27-2-1978 (Hindi)	8-5-1978 (English) 15-5-1978 (Hindi)	4 months
1977-78			
IIT Kharagpur	21-12-1978 (both versions)	28-1-1980 (both versions)	13 months
IIT Bombay	4-12-1978 (English) 21-12-1978 (Hindi)	14-5-1979 (English) 9-7-1979 (Hindi)	4½ months

1	2	3	4
IIT Madras	22-12-1978 (both versions)	22-12-1978 (English) 26-2-1979 (Hindi)	No delay
IIT Kanpur	18-12-1978 (English) 21-12-1978 (Hindi)	28-1-1980 (English)	13 months
IIT Delhi	22-12-1978 (English)	5-3-1979 (English) 7-5-1979 (Hindi)	2 months
1978-79			
IIT Kharagpur	2-2-1980 (both versions)	7-7-1980 (both versions)	6½ months
IIT Bombay	28-1-1980 (English) 2-5-1980 (Hindi)	16-6-1980 (both versions)	5½ months
IIT Madras	23-1-1980 (both versions)	2-2-1980 (English) 17-5-1980 (Hindi)	1 month
IIT Kanpur	11-3-1980 (both versions)	3-9-1981 (both versions)	20 months
IIT Delhi	2-2-1980 (both versions)	28-3-1980 (English) 16-6-1980 (Hindi)	3 months
1979-80			
IIT Kharagpur	23-12-1980 (English) 23-2-1981 (Hindi)	Only statement laid on 23-3-1981	Not yet laid.
IIT Bombay	17-11-1980 (both versions)	23-3-1981 (both versions)	3 months
IIT Madras	1-12-1980 (both versions)	23-2-1981 (both versions)	2 months
IIT Kanpur	24-11-1980 (both versions)	Only statement laid on 30-3-1981	Not yet laid
IIT Delhi	24-11-1980 (both versions)	27-8-1981 (both versions)	8 months

APPENDIX II

(Vide para 2.3 of Report)

Statement of chronology of action in Finalisation of the Annual Report of Indian Iron and Steel Company Limited for the year 1977-78

1. Appointment of Statutory Auditors by Company Law Board for 1977-78	14-4-1978
2. Draft Accounts handed over by IISCO to the Auditors, M/s. Price Waterhouse & Co., Calcutta	22-12-1978
3. Audit completed and accounts initialled by Statutory Auditors	30-4-1979
4. Accounts placed before the Board of Directors of IISCO	30-4-1979
5. Accounts handed over to Government Auditor (Commercial) for comments on	3-5-1979
6. Provisional comments received from Govt. Auditor (Commercial) on	30-6-1979
7. Revised Accounts placed before the Board of Directors and adopted by the Board	13-7-1979
8. Revised Accounts handed over to Govt. Auditors (Commercial) for comments	27-7-1979
9. Comments of Government Auditor (Commercial) received on	28-7-1979
10. Director's Report and Accounts placed before the Shareholders and adopted	30-7-1979
11. Date of sending the reports to Printers	1-8-1979
12. Printed copies of Report received from IISCO	13-2-1980

APPENDIX III

(Vide para 2.8 of Report)

Statement of chronology of action in finalisation of the Annual Report of Indian Iron and Steel Company Limited for the year 1978-79.

1. Appointment of Statutory Auditors by Company Law Board for 1978-79	23-7-1979
2. Draft Accounts handed over to the Auditors, M/s. Price Waterhouse & Co., Calcutta	3-4-1980
3. M/s. Price Waterhouse & Co., completed the audit and initialled the Accounts	20-6-1980
4. Accounts were placed before the Board of directors at the Meeting held on	20-6-1980
5. Accounts handed over to Government Auditor (Commercial) for comments	21-6-1980
6. Provisional comments received, from Government Auditor (Commercial)	20-7-1980
7. Revised Accounts placed before the Board of Directors at the Meeting held on	3-9-1980
8. Revised Accounts handed over to Govt. Auditor (Commercial) for comment	8-9-1980
9. Comments of Government Auditor (Commercial) received	9-9-1980
10. Adoption of the Report & Accounts by the shareholders	29-9-1980
11. Receipt of copies of the Report & Accounts from the Printers	21-10-1980
	3-11-1980
12. Receipt of printed copies of the Report & Accounts in the Department of Steel	10-11-1980

APPENDIX IV

Summary of Recommendations/Observations contained in the Report

S. No.	Reference to Para No. of the Report	Summary of Recommendations/Observations
1	2	3
1	1.23	The Committee feel concerned to note that the audited accounts of the Indian Institute of Technology, Kanpur for the years 1975-76, 1976-77, 1977-78 and 1978-79, which were required to be laid on the Table within 9 months of the close of the relevant accounting year as per recommendations of the Committee made in paras 1.16 and 3.5 of their First Report (Fifth Lok Sabha) were actually laid on 15th May, 1978, 9th April, 1979, 28th January, 1980 and 3rd September, 1981 i.e. after a delay of 16½ months, 15 months, 13 months and 20 months respectively. It is regrettable that although the audited accounts for the year 1980-81 have become due for laying yet the audited accounts for 1979-80, which ought to have been laid by 31st December, 1980, have not so far been laid.
2	1.24	The Committee further note from the statement (Appendix I) that the position in respect of the Indian Institute of Technology, Kharagpur, is no better. The audited accounts of the Institute for the years 1975-76, 1976-77, 1977-78 and 1978-79 were laid on the Table after a delay of 15½ months, 8 months, 13 months, and 6 months, respectively and of 1979-80 are yet to be laid. The Committee also find that the audited accounts of the last 5 years in respect of none of the Institutes have been laid on the Table within the period prescribed by the

1	2	3
		<p>Committee. The Committee also find that their recommendations for laying the audited accounts within 9 months of the close of the accounting year were circulated by the Ministry to all the Institutes on 8-4-1976 but the delays still persist and no serious and concerted efforts seem to have been made either by the concerned Institute or the Ministry to eliminate delays and to adhere to the time schedule laid down by the Committee. The Committee need hardly point out that such delays deprive Members of Parliament of timely information about the financial health and working of the Institutes.</p>
3	1.25	<p>The Committee are, therefore, constrained to observe that such inordinate delays are unpardonable and are not justifiable by any standard.</p>
4	1.26	<p>The Committee hope that the audited accounts and Audit Reports thereon in respect of Indian Institutes of Technology, Kanpur and Kharagpur for the year 1979-80 would be laid on the Table without any further delay, along with a statement giving reasons for the delay, and audited accounts for 1980-81 would be laid before Parliament in time. The Committee trust that such delays would not recur.</p>
5	1.27	<p>From the information supplied by the Ministry of Education and Culture, the Committee note that the annual accounts for the year 1976-77 were finalised by the Indian Institute of Technology, Kanpur and given to Audit for checking in June, 1978, i.e. 15 months after the close of the accounting year. The accounts were checked and audited by the Accountant General, Uttar Pradesh in July, 1978 but the certified accounts and Audit Report thereon were received on 7th February, 1979, i.e. after 6 months. Again the annual accounts for 1978-79 were reconciled in March, 1980 (after one year) and were audited</p>

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- by the Accountant General in June, 1980. The Audit Report was received in July, 1981, after 13 months.
- 6 1.28 From the chain of events the Committee find that apart from the Audit being responsible for taking a long time in auditing the accounts and furnishing Audit Reports thereon, the Indian Institute of Technology, Kanpur, was mainly responsible for contributing towards delay because the Institute took inordinately long time in finalising the accounts every year. The Committee have no doubt that if the Institute takes more than a year to finalise its accounts, the audit will also take some time in auditing them and giving the Audit Report on the accounts. The representative of the Ministry had also admitted during evidence that 'Basically it is for the I.I.T. itself to ensure that within the stipulated time the accounts are submitted.'
- 7 1.29 The Committee are, therefore, of the view that unless proper time schedules are laid down at every stage, right from the finalisation of accounts to their laying before Parliament and periodic checks are exercised by the Ministry of Education and Culture to see that these are being strictly observed, no appreciable improvement is likely to be made and the Institutes will never become up-to-date.
- 8 1.30 The Committee, therefore, recommend that the Ministry of Education and Culture should lay down a time bound programme in consultation with the concerned Institute and the Audit authorities, to complete all formalities within the time limit prescribed by the Committee and watch its implementation with a view to ensure that the audited accounts of all the Institutes of Technology are laid before Parliament in time.
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9	1.31	<p>The Committee note that the Annual Reports, audited accounts and Audit Reports thereon of all the Institutes are not laid before Parliament together. The Committee further note that the audited accounts of the Institutes are laid much after laying the Annual Reports. The Committee feel that unless both the Annual Report and audited accounts of each Institute are laid together before Parliament a complete picture about the working and activities of the Institute does not emerge. The very purpose of laying these papers is defeated because the Members will not be able to assess performance of every Institute in its true perspective and express their views thereon at the time of voting on demands for grants of the Ministry of Education and Culture. The Committee, therefore, recommend that the Annual Report, audited accounts and Audit Report in respect of each Institute should be laid on the Table simultaneously within the period prescribed by the Committee.</p>
10	2.29	<p>The Committee are distressed to note that the Annual Reports and audited accounts of the Indian Iron and Steel Company Limited for the years 1977-78, 1978-79 and 1979-80, which in terms of the recommendation of the Committee made in para 4.16 of their Second Report (Fifth Lok Sabha) should have been laid by 31-12-1978, 31-12-1979 and 31-12-1980, i.e. within 9 months of the close of the relevant year were actually laid on 13-6-1980, 19-12-1980 and 18-12-1981, after a long delay of 17½ months in the first case and of about one year in each of the latter two cases. The Committee further note that the Annual Report and the audited account for 1980-81 have also become due for laying.</p>
11	2.30	<p>As regards delay in finalisation of accounts the Committee were informed that since the financial condition of IISCO was in complete</p>

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shambles, the Government were compelled to take over the management of the Company on 14-7-1972 and on 17-7-1976 it was decided to acquire shares held by private persons and an Act to that effect was passed. The delay in finalisation of accounts started from accounting year 1976-77 as the introduction of certain major changes and reforms in the Company led to industrial relations problems, which were sorted out and settled in May, 1981. The Committee were assured that the accounts in future would be prepared promptly and laid on the Table of the House in time.

12 2.31 The Committee are not convinced with the arguments advanced by the Ministry in support of delay on the part of the Company in the finalisation of accounts because industrial relations problem is not a new phenomenon prevalent only in the Indian Iron and Steel Company but a routine affair in every industry. The Committee have no doubt that the delay in finalisation of accounts occurred year after year due to lack of planning and foresight on the part of the management of the Company. The Committee are of the view that the accounts of the Company had fallen into arrears because the management did not attach due importance to this aspect. The Ministry of Steel and Mines cannot absolve itself of the responsibility because they also did not impress upon the Company the need of finalising the accounts in time.

13 2.32 The Committee are, therefore, constrained to observe that despite the clear guidelines laid down by them as far back as 12-5-1976 in para 4.16 of their Second Report (Fifth Lok Sabha) for laying Reports of Government Companies on the Table, the prescribed time schedule has not been adhered to by the Company and the Ministry of Steel and Mines.

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- 14 2.33 The Committee need hardly stress that such inordinate delays keep Parliament in the dark about the financial position of the Company where huge sums of money are invested by Government. The very idea of accountability of the Government to Parliament is frustrated if Parliament is not informed by the Government about the performance, achievements and shortcomings of the companies under their control within a reasonable time after the close of the accounting year. In the absence of such information Parliament finds itself totally helpless in fully appreciating the performance of the Company.
- 15 2.34 The Committee trust that the Annual Report and audited accounts of the Indian Iron and Steel Company Limited for the year 1980-81 would be laid on the Table, without any further delay along with a detailed statement spelling out the reasons for delay. The Committee also hope that in future the prescribed time limit will be observed by IISCO and the Ministry will watch progress of finalisation of Reports and Accounts from time to time with a view to ensure that these do not go into arrears.
- 16 2.35 From the information supplied by the Ministry (Appendix II), the Committee find that the Company Law Board appointed Statutory Auditors for 1977-78 on 14-4-1978, but the draft accounts were handed over to them by the Company on 22-12-1978, i.e. after 8 months. Similarly, the Statutory Auditors for 1978-79 were appointed by the Company Law Board on 23-7-1979 and the draft accounts were handed over to them by IISCO on 3-4-1980, again after 8 months (Appendix III).
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1	2	3
17	2.36	The Committee strongly deprecate the persistent delays on the part of IISCO in finalising the annual accounts and making them available to Statutory Auditors for auditing.
18	2.37	The Comm ttee hope that in future the Indian Iron and Steel Company will finalise the accounts, get them audited and lay the Annual Report and the audited accounts before Parliament within the period prescribed by the Committee in para 4.16 of their Second Report (Fifth Lok Sabha), i.e. within 9 months from the date of closing the accounts.