

**COMMITTEE**  
**ON**  
**PAPERS LAID ON THE TABLE**  
**(1983-84)**

**(SEVENTH LOK SABHA)**

**FOURTEENTH REPORT**

*( Presented on 24 August, 1983 )*



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

*August, 1983/Sravana, 1950 (Saka)*

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CORRIGENDA TO FOURTEENTH REPORT OF  
COMMITTEE ON PAPERS LAID ON THE TABLE  
(1983-84)

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## CONTENTS

	PAGE
PERSONNEL OF THE COMMITTEE ON PAPERS LAID ON THE TABLE (1983-84) . . . . .	(iii)
INTRODUCTION . . . . .	(v)
CHAPTER I—Laying of Annual Reports and Audited Accounts of Institutes receiving financial assistance form the Ministry of Food and Civil Supplies ... ..	1
CHAPTER II—Request from the Ministry of Labour for waiving the requirement of laying of Annual/Audit Reports of the Institutions receiving financial assistance from that Ministry ... ..	10
CHAPTER III—Delay in laying Annual Reports of the Food Corporation of India for the years 1978-79, 1979-80 and 1980-81 ... ..	14
CHAPTER IV—Delay in laying Audited Accounts of the Post-Graduate Institute of Medical Educa- tion and Research, Chandigarh for the years 1979-80, 1980-81 and 1981-82 ... ..	20
CHAPTER V—Delay in laying Annual Reports and Audi- ted Accounts of the Mahatma Gandhi Institute of Medical Sciences, Sewagram, Wardha for the years 1978-79 and 1979-80 ... ..	26
CHAPTER VI—Delay in laying Annual Reports and Audi- ted Accounts of the Central Cottage Industries Corporation of India Limited, New Delhi ... ..	33
CHAPTER VII—Laying of Annual Administration Reports and Audited Reports of Cantonment Boards receiving grants-in-aid from Government before Parliament ... ..	

**APPENDICES**

	<b>PAGE</b>
I. Statement showing names of Institutes/ Organisations receiving grants-in-aid from the Deptt. of Food and the amount of financial assistance given to each of them during the years 1977-78, 1978-79 and 1979-80 ... ..	49
II. Extracts of Section 4 of the Iron Ore Mines and Manganese Ore Mines Labour Welfare Fund Act, 1976 ... ..	53
III. Statement showing ordinary grants-in-aid given by Government to the Cantonment Boards during the year 1980-81 ... ..	55
IV. Summary of recommendations/observa- tions contained in the Report ... ..	58

PERSONNEL OF THE COMMITTEE ON PAPERS LAID  
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(1983-84)

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2. Shri S.D. Kaura—*Chief Legislative Committee Officer.*
3. Shri T.E. Jagannathan—*Senior Legislative Committee Officer.*

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\*Nominated w.e.f. 21.6.1983.

## 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 Fourteenth Report.

2. On examination of certain papers laid on the Table of Lok Sabha during First, Fifth, Sixth, Eighth, Ninth and Eleventh Sessions (Seventh Lok Sabha), the Committee have come to certain conclusions in regard to delay in laying (i) Annual Reports of the Food Corporation of India ; (ii) Audited Accounts of the Post Graduate Institute of Medical Education and Research, Chandigarh ; (iii) Annual Reports and Audited Accounts of the Mahatma Gandhi Institute of Medical Sciences, Sewagram, Wardha and (iv) Annual Reports and Audited Accounts of the Central Cottage Industries Corporation of India Limited, New Delhi. The Committee also considered three references from Ministries seeking clarification regarding laying of Annual Reports and Accounts of (a) Institutes receiving grants-in-aid from the Ministry of Food and Civil Supplies ; (b) Institutions receiving grants-in-aid from the Ministry of Labour ; and (c) Cantonment Boards receiving grants-in-aid from the Ministry of Defence, and have made certain recommendations. The conclusions of the Committee are embodied in the Report.

3. On 21 September, 1982, the Committee took evidence of the representatives of the Ministry of Agriculture (Department of Food) on the question of laying of Annual Report and Accounts of the Institutes receiving financial assistance from that Ministry and the Ministry of Defence on the question of laying of Annual Administration Reports and Audited Accounts of Cantonment Boards.

4. The Committee wish to express their thanks to the officers of the Ministries of Agriculture (Department of Food) and Defence for furnishing information desired by the Committee.

5. The Committee considered and adopted this Report at their sitting held on 18 August, 1983.

( ४ )

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

NEW DELHI ;  
19 August, 1983  
28 Sravana, 1905 (Saka)

KRISHNA SAHI,  
Chairman,  
Committee on Papers Laid on the Table.



## CHAPTER I

### LAYING OF ANNUAL REPORTS AND AUDITED ACCOUNTS OF INSTITUTES RECEIVING FINANCIAL ASSISTANCE FROM THE MINISTRY OF FOOD AND CIVIL SUPPLIES

In paragraphs 1.10 and 1.11 of their Sixth Report (Seventh Lok Sabha) the Committee on Papers Laid on the Table recommended as under :

“1.10 From the information furnished by the Ministry, the Committee find that the Research Institutes do not receive grants directly from the Central Government out of the Consolidated Fund of India but are supported by the Indian Council of Social Science Research out of the funds of the Council.”

“1.11 In view of the difficulties expressed by the Ministry of Education and Social Welfare, the Committee do not insist on the requirement of laying of separate Annual Reports/Audit Reports before Parliament in respect of the Research Institutes. The Committee, however, recommend that the Indian Council of Social Science Research, which directly finances and controls the Research Institutes and whose Annual Report is laid on the Table should, in future, incorporate invariably in its Annual Report a detailed chapter about the Research Institutes giving an account of the functioning of each Institute/Centre financed by the Council, the amount of grant, both recurring and non-recurring, given to each of them as also the activities pursued by each Institute/Centre during the year.”

1.2 On being conveyed the above recommendation of the Committee, the Department of Parliamentary Affairs sought clarification on the point if the above recommendation would, *mutatis mutandis*, apply

to similar institutes working under a Central Organisation and whose report was placed on the Tables of the Houses.

1.3 Before the matter could be placed before the Committee for their decision, the Department of Parliamentary Affairs were asked to furnish information on the following points for the consideration of the Committee :

- “(i) the name of the Institutes to which the above recommendation of the Committee was proposed to be made applicable ;
- (ii) the source through which these Institutes are financed ;
- (iii) the names of the Central Organisations, which control these Institutes and whether they are fully financed by that organisation ;
- (iv) the Ministry which administers and controls these Central Organisations ;
- (v) the amount of financial assistance given to each of the Institutes during the years 1978-79, 1979-80 and 1980-81 ;
- (vi) whether Annual Reports and Audit Reports of these Central Organisations are laid on the Table ; if so, the dates of laying of their reports before Parliament, for the years 1977-78, 1978-79 and 1979-80 ; and
- (viii) difficulties envisaged regarding laying of Reports/Accounts of these Institutes before Parliament.”

1.4 In reply to the above points, the Department of Parliamentary Affairs have forwarded a note received from the Department of Food requesting the Committee for waiving the requirement of laying of Annual Reports/Audit Reports of the Institutions receiving grants-in-aid from the Department of Food.

1.5 Giving the background of the institutes to whom grants-in-aid are given by the Department of Food, that Department, have stated as under :

“The grants-in-aid are being given by the Department of Food for schemes on modernisation of the rice milling and utilisation of byproduct like bran, husk etc., undertaken by various Institutes/Centres for the research, development, training and extension

works in the field of rice processing. These Institutes/Centres also receive grants-in-aid from other sources like the University Grants Commission, Departments of the Government of India, State Governments etc. They are not directly under the administrative control of the Department of Food. Besides the above Institutes/Centres, the Department of Food give grants-in-aid to various Institutes of Hotel Management, Catering Technology and Applied Nutrition and Food Craft Institutes, for imparting training and preservation of Food articles.

The accounts of these Institutions/Organisations are audited by different auditing agencies as provided in rules of these Institutions/Organisations. The Annual Reports and Audited Accounts of the Institutes of Hotel Management, catering and Applied Nutrition and Food Craft Institutes for the year 1979-80 were laid on the Table of both Houses of Parliament during the last Budget Session, 1981 of Parliament. The Annual Reports and Audited Reports in respect of the Institutes/Organisations engaged in research, development, training and extension work in the field of rice processing have not yet been laid so far. The grants-in-aid released to them by this Department is very meagre in comparison to the total budget of the Institutes/Centres. Moreover, the research Institutes/Centres are not directly under the administrative control of, this Department. The Department of Food has not succeeded so far to get the Annual Reports/Audited Accounts from these Institutes/Centres.

The matter has been considered at length by this Department and it is felt that in case it could be possible for the Department of Food to give a gist of the grants-in-aid given to the various institutions and summaries of activities of all such Institutes in the form of consolidated Reports which could be incorporated in the Annual Report of the Department of Food itself, a good deal of expense and effort could be saved, which may result in considerable economy. Though such practice in respect of some of the Institutes is already in vogue."

1.6 In reply to points (i) & (v) of paragraph 3, above, the Department of Food have sent names of 21 Institutes/Organisations (see Appendix 1) which are receiving grants-in-aid from that Department and the amount of financial assistance given to each during the years 1977-78, 1978-79 and 1979-80.

1.7 As regards the source through which these Institutes are financed, the Department of Food have informed that these are financed out of the Consolidated Fund of India. The Institutes mentioned at S. Nos. 11 to 21 (see Appendix I) are also financed by different agencies like University Grants Commission, other Departments of the Government of India, State Governments etc. besides grants-in-aid given by the Department of Food.

1.8 Regarding the names of the Central Organisations which control these institutes and whether they are fully financed by that organisation, the Department of Food have stated that the grants-in-aid are released directly by the Department of Food in respect of 10 Institutes (S. Nos. 1 to 10 of Appendix I). The grants-in-aid are given direct by different agencies to the Institutes mentioned at S. Nos. 11 to 21 and not through any other Central Organisation. The administrative control of these Institutes/Centres is not with the Department of Food.

1.9 In regard to the Ministry which administers and controls these Central Organisations, it has been stated that the Institutes mentioned at Sl. Nos. 1 to 10 are directly under the administrative control of the Department of Food whereas the Institutes at S. Nos. 11 to 21 are not under the administrative control of the Department of Food as most of these are Universities which are autonomous.

1.10 As regards dates of laying of the Annual Reports and Audit Reports for the years 1977-78, 1978-79 and 1979-80, that Department have stated that the Annual Reports/Audited Accounts for the years 1979-80 and 1980-81 of the Institutes/Centres mentioned at Sl. Nos. 1 to 10 were laid on the Table on 23.2.1981 and 18.2.1982 respectively. The Annual Reports and Audited Accounts of the Institutes/Centres at Sl. Nos. 11 to 21 are yet to be laid.

1.11 About the difficulties envisaged in laying the Annual Reports/Accounts of the Institutes before Parliament, the Department of Food have stated as under :

“Institutes mentioned at S. Nos. 1 to 10 are training Institutions with identical activities. Submission of separate report for each Institute outlining the same activities have been found to be somewhat at duplication of effort. It is felt that the desired objective could be achieved more economically by incorporation of necessary material in the Annual Report of the Department of Food itself.

The grants-in-aid released by this Department to Institutes/Centres mentioned at Sl. Nos. 11 to 21 are for the schemes on modernisation of Rice Milling and allied subjects by way of financial assistance of the research and development work being done by the Institutes/Centres. Otherwise these Institutes/Centres do not come under our purview and are not financed by the Department as a matter of course. The Annual Reports or Audit Reports of these Institutes/Centres pertain to the functions of such Institutes as a whole and our grants-in-aid and related activities form comparatively a very meagre and limited part of the total. The Institutes mentioned at S. Nos. 11 to 21 are not under administrative control of the Department of Food. A brief of the activities of these 11 centres and the grants-in-aid sanctioned to them already being reflected in the Annual Report and other documents of the Department of Food. Also, some of the reports like those of Ministry of Education might be reflecting the activities of the I.I.T., Kharagpur to whom grants-in-aid is being given by this Department. In such cases, presenting the same report by this Department will be a duplication. It is also understood that other institutions like I.C.A.R. etc., who provide grants for Research & Development Schemes in Agriculture do not lay their report. In view of above, these institutes may be exempted from laying of their Annual Report/Audited Accounts as their activities are already being reflected in the Annual Report of the Department of Food."

1.12 At their sitting held on 25 May, 1982, the Committee on Papers laid on the Table considered the whole matter and decided to call the representatives of the Department of Food to know their view-points.

1.13 The Committee heard the views of the representatives of the Ministry of Agriculture (Department of Food) on 21 September, 1982.

1.14 On being enquired when the recommendation of the Committee, made in paragraph 3.5 of their First Report (Fifth Lok Sabha), which stipulated a period of nine months after the close of the accounting year for laying the Annual Reports and audited accounts, was Communicated to the Institutes of Hotel Management, Catering and Applied Nutrition and Food Craft Institutes, the Secretary, Department of Food stated that the recommendation of the Committee was not communicated to the Institutes. The Department, however, laid on the Table Annual Reports and Audited Accounts of the above mentioned Institutes to whom grants-in-aid were given by the Department of Food.

The witness informed the Committee that there were two categories of Institutes *viz.* (a) those which were under the control of the Department of Food like the Catering and Applied Nutrition and Food Craft, and (b) the Institutes falling in the second category which were not under the Department of Food. In regard to the second category of Institutes, the witness suggested that it would be a practical proposition to give a general report covering all those cases for information of Members and not a full report of each Institute because the grants-in-aid given to those Institutes covered only a small portion and they were also not under their administrative control. The witness further stated *inter alia* :

“We shall place a statement mentioning the amounts that we gave to various institutes. We would state the amounts given and that we have got their utilization certificates etc. So that Parliament is aware for what purpose the grant-in-aid was given, how much money was spent and whether the money was utilized or not.”

1.15 In reply to a query why exemption was being sought in respect of the Institutes fully financed by the Department of Food, the witness stated :

“It will be convenient for us if we put all the things together and place them before the Parliament and the Hon. Members can also get a complete picture at one place. But if the Members feel that it is not convenient to the Committee, then I would not insist on that. We have been suggesting it in respect of the first category of cases for the sake of convenience.”

1.16 With a view to differentiate the two sets of Institutes which received grants-in-aid from the Department, the witness stated :

“I split them into two categories. As regards category No. 1—we normally give grant-in-aid to Craft Institutes for five years. After that they are transferred to the State Government and thereafter we do not call for reports or accounts from them. As regards second category, *viz.* Institutes which are not under the administrative control of the department of Food the Department should be exempted from placing the reports/accounts of such institutions on the Table of the House.”

1.17 As regards the checks exercised by the Department of Food to ensure timely laying of the Annual Reports and audited accounts of

the Institutes fully financed by them the witness stated that the representatives of the Department of Food were there on the Boards of Governors and they had been asked to take care of the matter.

1.18 When asked about the latest position of the Annual Reports and accounts of the Institutes for the year 1981-82, the representatives of that Department stated that the accounts were being finalised and meetings were being held on various dates. The witness, however, assured the Committee that they would adhere to the time limit, for laying the Annual Reports and accounts.

1.19 On being pointed out about the non-compliance of the requirement of laying on the Table within 30 days of the expiry of the prescribed period of nine months ; a statement explaining the reasons for not laying the Annual Reports and audited accounts of the Institutes in time and also at the time of laying of the Reports and accounts, the witness stated :

“This has not been done in the case of Catering Institutes. That has been a lapse. That will be avoided in future.”

1.20 As regards utilization of the grants-in-aid by 11 Institutes in the second category, partly financed by Department of Food, the representative of that Department informed the Committee that :

“The money is spent for research work and a little for extension work. There are two bodies for such a check. One is the Research Coordination Committee, which is chaired by the Additional Secretary of the Department of Food. The representatives of all these bodies are included in this Research Coordination Committee. They review from time to time the work done. The second one is the Advisory Group of the Institute itself, where our Additional Secretary and the Chief Engineer are members. This is an internal body of the Institute, in which our members are represented, and they review the position. So, apart from scrutiny of their estimates before approving the scheme, there is constant monitoring through the Research Coordination Committee and the Advisory Group.”

1.21 When asked about the criteria laid down by the Department of Food for sanctioning grants-in-aid to the second category of Institutes/Centres engaged in modernisation of rice milling and allied subjects and the percentage of grant-in-aid given by the Department, the witness

stated that 11 Institutes out of 21 to whom grants-in-aid were given by the Department, related to rice processing and extension for modernisation of rice mills. Rice processing involved certain type of research work. The specific problems of research were identified by the Research Co-ordination Committee. The Institutes which had got the expertise were asked to work out the cost of research work and the extent to which they could help in the matter. The estimate was scrutinized in consultation with the Finance Wing of the Department and the schemes were sanctioned. If the cost on the scheme was estimated to be more than Rs. 2 crores, the scheme had to be sent to a higher body, the Expenditure Finance Committee. Depending upon the need for solving particular problems and the need for extension work, the Research Co-ordination Committee decided the quantum of money to be sanctioned. In reply to a further query, the witness informed the Committee that grant-in-aid was not necessarily given to an Institute every year. The grant-in-aid was sanctioned for a scheme depending upon the kind of work the Institute was required to do and the time it would take to do the job.

When asked how the activities of those Institutes which were partly financed by the Department and in respect of which exemption from laying their Reports on the Table had been sought could be reflected, the witness stated :

“The best thing is to give it in the Annual Report of the Ministry so that it can come at one place.”

1.22 The Committee note that the Ministry of Food and Civil Supplies gives grants-in-aid directly to various Institutes of Hotel Management, Catering, Technology and Applied Nutrition and Food Craft Institutes for imparting training and preservation of food articles. The Committee also note that Ministry lays on the Table separate Annual Reports and audited accounts in respect of each such Institute as these Institutes are under the administrative control of the Ministry. The suggestion of that Ministry that the practice of submission of separate report for each Institute may be dispensed with as these are training Institutions with identical activities and that the desired objective could be achieved by incorporation of necessary material in the Annual Report of the Ministry of Food and Civil Supplies, is not acceptable to the Committee. The Committee are of the view that the present practice of laying of separate report of each Institute should continue because the report will be handy and will give a complete picture of the working and activities of the individual Institutes at one place.



1.23 The Committee also note that in addition to the above Institutes, the Ministry of Food and Civil Supplies also gives some financial assistance for schemes on modernisation of rice milling and utilisation of bye-products like bran, husk etc., undertaken by various Institutes/Centres for the research, development, training and extension works in the field of rice processing. The Committee find from the information given by the Ministry that the grants—in—aid given by the Ministry to these Institutes/Centres is very meagre in comparison to their total budget, as they get grants—in—aid from their sources like the University Grants Commission, Departments of the Government of India, State Governments, etc. They are also not under the administrative control of the Ministry of Food and Civil Supplies.

1.24 In view of the fact that these Institutes/Centres are neither fully funded by that Ministry nor are they under their administrative control, the Committee are inclined to accept the suggestion of that Ministry that laying of the Annual Reports and audited accounts of these Institutes/Centers may not be insisted upon.

1.25 The Committee, however, recommend that the Ministry of Food and Civil Supplies should, in future, include in their own Annual Report a chapter giving the amount of grant—in—aid given to each such Institute/Centre during the year, the purpose for which it was given, the activities pursued by the Institute/Centre and whether the amount was gainfully utilized so that the principle of accountability to Parliament is complied with.

## CHAPTER II

### REQUEST FROM THE MINISTRY OF LABOUR FOR WAIVING THE REQUIREMENT OF LAYING OF ANNUAL/AUDIT REPORTS OF THE INSTITUTIONS RECEIVING FINANCIAL ASSISTANCE FROM THAT MINISTRY.

2.1 In paragraphs 1.10 and 1.11 of their Sixth Report (Seventh Lok Sabha) the Committee on Papers laid on the Table recommended as under :

“1.10 From the information furnished by the Ministry, the Committee find that the Research Institutes do not receive grants directly from the Central Government out of the Consolidated Fund of India but are supported by the Indian Council of Social Science Research out of the funds of the Council.

1.11 In view of the difficulties expressed by the Ministry of Education and Social Welfare, the Committee do not insist on the requirement of laying of separate Annual Reports/Audit Reports before Parliament in respect of the Research Institutes. The Committee, however, recommend that the Indian Council of Social Science Research, which directly finances and controls the Research Institutes and whose Annual Report is laid on the Table should, in future, incorporate invariably in its Annual Report a detailed chapter about the Research Institutes giving an account of the functioning of each Institute/Centre financed by the Council, the amount, of grant both recurring and non-recurring, given to each of them as also the activities pursued by each Institute/Centre during the year.”

2.2 The Department of Parliamentary Affairs have on 2 August, 1982 forwarded a copy of note received from the Ministry of Labour requesting the Committee for waiving the requirement of laying of

Annual/Audit Reports of the Institutions receiving financial assistance from the Ministry of Labour.

2.3 In their note, the Ministry of Labour have advanced the following grounds for seeking exemption from laying the Annual/Audit Reports of the Institutions receiving financial assistance from that Ministry :—

“The owners of the iron ore mines and manganese ore mines or a local authority, are granted loan or subsidy or grants-in-aid out of the Iron Ore Mines and Manganese Ore Mines Labour Welfare Fund, in aid of any scheme approved by the Central Government for any purpose connected with the welfare of persons employed in iron ore mines and manganese ore mines. Hundreds of owners of iron ore and Manganese ore mines are granted financial assistance out of the said fund in one form or the other to meet the expenditure incurred in connection with the measures which are necessary or expedient to promote the welfare of persons employed in the iron ore mines and manganese ore mines such as provision and improvement of medical, water supply educational, housing and recreational facilities etc.”

2.4 With regard to the source through which these institutions are financed, that Ministry have stated :

“The owners of the privately owned mines finance and manage these mines on their own. The Central Government, Ministry of Labour grants financial assistance to them out of the Iron Ore Mines and Manganese Ore Mines Labour Welfare Fund only for scheme meant to promote the welfare of workers.”

2.5 As regards the constitution of the Labour Welfare Fund, Section 3 of the Iron Ore Mines and Manganese Ore Mines Labour Welfare Fund Act, 1976 provides :

“3. There shall be formed a Fund, to be called the Iron Ore Mines and Manganese Ore Mines Labour Welfare Fund, and there shall be credited thereto—

- (a) an amount which the Central Government may, after due appropriation made by Parliament by law in this behalf, provide from and out of the proceeds of duty of customs and duty of excise credited under section 5 of the

Iron Ore Mines and Manganese Ore Mines Labour Welfare Cess Act, 1976, after deducting therefrom, the cost of collection as determined by the Central Government under this Act ;

- (b) any income from investment of the amount credited under the Act referred to in clause (a) and any other moneys received by the Central Government for the purposes of this Act.”

2.6 Section 4 of the Act (*See Appendix II*) provides for the purposes for which the fund will be applied by the Central Government.

2.7 Regarding the names of the Central Organisations which control those institutes and whether they are fully financed by that organisation, that Ministry have informed that ‘the owners of the privately owned iron ore mines or manganese ore mines are not under the control of any Central Organisation under the Ministry of Labour.’

2.8 As regards the amount of financial assistance given to each of the institutes during the years 1978-79, 1979-80 and 1980-81, the Ministry of Labour have stated as under :

“The number of the mine managements receiving financial assistance in aid of welfare schemes for workers being large, it is not possible to give management-wise break-up of the amount of financial assistance given to mine managements. However, the total amount of financial assistance given to the mine managements in the whole country is given below :

Year	Health	Education	Recreation	Rs. in lakhs	
				Water supply	Housing
1978-79	11.02	7.05	2.22	2.35	49.03
1979-80	17.34	7.02	2.30	12.10	77.87
1980-81	13.72	1.66	1.16	0.46	59.40”

2.9 About the difficulties envisaged by the ministry in laying of reports/accounts of the institutes before Parliament the Ministry have stated ;

“As the number of mine managements receiving grants-in-aid out of the Iron Ore Mines and Manganese Ore Mines Labour Welfare Fund is large, it will not be practically possible to obtain from them their annual reports/audit reports every year for placing before the Parliament. There is no obligation on them to send their reports/audit reports to the Ministry of Labour. It will be difficult to obtain such reports from them as they are not under the administrative control of the Ministry of Labour. The relevant Acts also do not require the managements to lay their annual reports/audit reports before Parliament.”

2.10 The Committee note that the Ministry of Labour grants loans or subsidy or grants-in-aid, out of the Iron Ore Mines and Manganese Ore Mines Labour Welfare Fund, to the owners of the iron ore mines and manganese ore mines or local authority in aid of any scheme approved by the Central Government for any purpose connected with the welfare of persons employed in iron ore mines and manganese ore mines. The Committee also note that the managements of these privately owned mines are not under the administrative control of the Ministry of Labour and are, therefore, not under any obligation to send their Annual/Audit Reports to that Ministry for laying before Parliament. Taking these factors into consideration and in view of the fact that the number of such mine managements as receive financial assistance out of the Iron Ore Mines and Manganese Ore Mines Labour Welfare Fund in aid of the welfare schemes for workers is very large, the Committee do not insist on the requirement of laying of the Annual/Audit Reports of these mine managements before the two Houses of Parliament. The Committee, however, desire the Ministry of Labour to reflect in a suitable manner in the Annual Report of that Ministry the amount of loans, subsidy or grants-in-aid given to the mine managements under the various welfare schemes covered under the above-mentioned Fund so that Parliament are kept informed about such grants.

## CHAPTER III

### DELAY IN LAYING ANNUAL REPORTS OF THE FOOD CORPORATION OF INDIA FOR THE YEARS 1978-79, 1979-80 AND 1980-81

3.1 On 1.2.1980, the Minister of Agriculture laid on the Table of Lok Sabha a statement explaining, *inter alia*, Food Corporation of India for 1978-79 within the stipulated period as under :

“The accounts of the Corporation for 1978-79 were approved by the Board of Directors on 15.11.1979. The final report from the ‘Comptroller & Auditor General has not been received so far which has delayed the printing of the Report. It has thus not been possible to lay the annual report of the Food Corporation of India for the year 1978-79 on the Table of the House within the stipulated period of time.”

3.2 The Annual Reports (both Hindi and English versions) of the Food Corporation of India for the years 1978-79 and 1979-80 together with the audited accounts were laid on the Table of Lok Sabha on 2.3.1981 and 24.8.1981 under the provision of section 35 (2) of the Food Corporations Act, 1964 after a delay of 14 months and 8 months, respectively, in-terms of the recommendation of the Committee on Papers laid on the Table made in paragraph 4.16 of their Second Report (Fifth Lok Sabha) presented to Lok Sabha on 12.5.1976.

3.3 Section 35 of the Food Corporations Act, 1964 provides as under :

- “35 (1) A Food Corporation shall, as soon as possible after the end of each year, submit to the Central Government an annual report on the working and affairs of the Corporation.
- (2) The Central Government shall, as soon as may be after the receipt of such report, cause such report and the audit report received under section 34 together with any comments thereon or supplement thereto by the Comptroller and Auditor General of India to be laid before both Houses of Parliament.”

3.4 On being enquired about the dates of finalisation of the accounts of the Corporation for the year 1978-79 and the appointment of statutory auditors, the Ministry of Agriculture have informed that the statutory auditors were appointed on 24.3.1979 and the accounts were approved by the Board of Directors of the Food Corporation of India on 15.11.1979. As regards commencement of audit by the auditors, the Ministry have stated that as different auditors were appointed for different regions in which the Corporation was functioning, they took up this work on different dates. By and large, audit work commenced during the first week of May, 1979.

3.5 As regards the reasons for not adhering to the time limit prescribed by the Committee for laying the Report as the Statutory auditors had given their Audit Report on the accounts on 15.11.1979, the Ministry stated :

“Under section 34 (5) (b) of the FCI Act, the C & A.G. of India is empowered to conduct a supplementary or test audit of the accounts of the Food Corporation of India and audit is conducted by that office under section 34 (6) (d) of that Act.

The Auditors Report was sent to the office of the C & A.G. on 15.11.1979. The comments of that office dated 23.8.1980 were received on 30.8.1980. The replies to the comments were finalized by the Board of the FCI in its meeting held on 14.10.1980. The printed copies of the Annual Report were received in the Department of Food on 13.2.1981. The report was forwarded to the Secretariat of the two Houses on 19.2.1981, for laying on the Table of the House.”

3.6 When asked why the statement of reasons for delay in laying the Report was not laid alongwith the Report for 1978-79 on 2.3.1981, the Department of Food stated that as the statement indicating the reasons for delay had been laid on the Table of Lok Sabha on 1.2.1980, it was not necessary to lay it again alongwith the Report on 2.3.1981.

3.7 As regards the steps taken by the Ministry to ensure timely laying of the Report before Parliament in future in view of the fact that the Annual Report of the Food Corporation of India for 1977-78 was laid on the Table on 28.1.1980 after a delay of 13 months, the Department of Food stated :

“It has been emphasized by the Department on the Corporation from time to time that the Annual Report of the Corporation should be finalised as early as possible so that it could be laid in the Parliament by the due date. In meetings with Director of Audit efforts have been made to devise ways and means for minimising the time for finalisation of Audited Accounts. The Food Corporation of India is also taking suitable steps to arrange for finalisation of their accounts by the Board within a period of 6 to 7 months, after close of the accounting year.”

3.8 In the statement laid on the Table of Lok Sabha on 24.8.1981 alongwith the Annual Report for 1979-80 the Ministry of Agriculture (Deptt. of Food) explained the reasons for delay as under :

“It has not been possible to lay the Annual Report of the Food Corporation of India for year 1979-80 before Parliament before 31st December, 1980 due to delay in finalisation of accounts because of bandh in Assam, disturbances in Uttar Pradesh and staff problems in West Bengal. Accounts were finalised by the Corporation on 31.12.1980 and were sent to the Comptroller and Auditor General of India on 9.1.1981 for conducting supplementary audit and for their comments as per provision of the Act. Their comments were received by the Corporation on 26.3.1981. The replies of the Corporation on the comments of the comptroller and Auditor General of India were finalised by the Corporation on 4.4.1981. The printed copy of the Report from the Corporation was received by Government on 18.7.1981.”

3.9 The Annual Report of the Corporation for the year 1980-81 was also not laid within the stipulated period *i.e.* 31.12.1981. However, a statement was laid on the Table on 8.3.1982 in which the reasons for not laying the Report have been explained as under :

“It has not been possible to lay the Annual Report and Audited Accounts of the Food Corporation of India for the year 1980-81 before Parliament before 31st December, 1981 due to delay in finalisation of the accounts. Accounts were finalised by the Corporation on the 24th December, 1981 and were sent to the Comptroller and Auditor General of India on 8.1.1982 for conducting supplementary audit and for their comments as per provisions of the Act. The Comments of the Comptroller and Auditor General of India are still awaited.”



3.10 The Annual Report of the Corporation for the year 1980-81 was laid on the Table of Lok Sabha on 9-8-1982, with a statement explaining the reasons for delay in laying the Report. The reasons advanced by the Ministry of Agriculture (Department of Food) in the delay statement are, *inter alia* as under :

“Accounts were finalised by the Corporation on the 24th December, 1981 and were sent to the Comptroller and Auditor-General of India on 8-1-1982 for conducting supplementary audit for their comments as per provisions of the Act. The final comments of the Comptroller and Auditor General of India were received on 21-4-1982. The replies of the Corporation on the comments of the Comptroller and Auditor General of India were finalised by the Corporation on 16-6-1982. The printed copies of the report were received from the Corporation on 14-7-1982.”

3.11 At their sitting held on 24-8-1982, the Committee considered the whole matter.

3.12 In a statement laid on the Table of Lok Sabha on 28th February, 1983, the reasons for not laying the Annual Report of the Corporation for the year 1981-82 have been explained as under :

“It has not been possible to lay the Annual Report and Audited Accounts of the Food Corporation of India for the year 1981-82 before the Parliament before the 31st December, 1982 due to delay in finalisation of accounts. The accounts were finalised by the Corporation on the 24th December, 1982 and were sent to the Comptroller and Auditor General of India on the 18th January, 1983 for conducting a supplementary audit and for their comments as per provisions of the Food Corporation Act, 1964. The comments of the Comptroller and Auditor General of India are still awaited.”

3.13 The Committee note that under the provisions of Section 35(2) of the Food Corporations Act, 1964, the Central Government are required to lay before both Houses of Parliament the Annual Report, Audit Report and the comments of the Comptroller and Auditor General of India thereon or supplement thereto of the Food Corporation of India.

3.14 The Committee also note that the Annual Reports containing the Audit Reports and comments of the Comptroller and Auditor General of India thereon of the Food Corporation of India for the years 1978-79, 1979-80 and 1980-81 were laid on the Table of Lok Sabha after a delay of 14 months, 8 months and 7½ months respectively, in terms of the recommendation of the Committee on Papers laid on the Table made in paragraph 4.16 of their Second Report (Fifth Lok Sabha). The Committee feel concerned to note that the Annual Report of the Corporation for the year 1981-82 which ought to have been laid by 31-12-1982 has not so far been laid. The Committee hope that the Annual Report for 1981-82 would be laid on the Table without any further delay.

3.15 The Committee note that the Food Corporation of India is not adhering to the time limit of 3 months laid down by the Committee in their above-mentioned recommendation for finalisation of annual accounts. From the information given in the delay statements laid on the Table of Lok Sabha on 9-8-1982 and 28-2-1983, the Committee find that the Corporation takes about 9 months after the close of the year in finalising their accounts, as accounts for the years 1980-81 and 1981-82 were finalised in the month of December instead of June. According to the information furnished by the Ministry, the Committee also find that even after meetings held with the Director of Audit to devise ways and means for minimising the time for finalisation of Audited Accounts, the Corporation takes 6 to 7 months, after the close of the accounting year, in finalising their accounts. The Committee are of the opinion that if the Corporation follows its own time schedule, then their future Annual Reports would never be laid on the Table within the time limit stipulated by the Committee, *i.e.* within 9 months of the close of the accounting year.

3.16 It is regrettable that despite being emphasised from time to time by the Ministry of Food and Civil Supplies on the Corporation the need for finalisation of the Annual Report and its laying before Parliament by the due date, the position has not at all improved as none of the above-mentioned Annual Reports of the Corporation has been laid on the Table in time. The Committee, therefore, desire the Ministry of Food and Civil Supplies to issue suitable instructions to the Food Corporation of India to chalk out a time bound programme, in consultation with the Audit, for finalisation of their Report and Annual accounts in accordance with the guidelines laid down by the Committee in their aforementioned recommendation.

**3.17 The Committee hope that the Annual Report together with the Audit Report and comments of the C & A.G. thereon of the Food Corporation of India for the year 1982-83 would be laid on the Table in time and in future the time limit as laid down by the Committee would be strictly adhered to.**

## CHAPTER IV

### DELAY IN LAYING AUDITED ACCOUNTS OF THE POST-GRADUATE INSTITUTE OF MEDICAL EDUCATION AND RESEARCH, CHANDIGARH FOR THE YEARS 1979-80, 1980-81 AND 1981-82

4.1 The Annual Report for 1980-81 and the Audited Accounts for 1979-80\* of the Post-Graduate Institute of Medical Education and Research, Chandigarh together with a statement showing reasons for delay were laid on the Table of Lok Sabha on 25 February, 1982. While laying the above Report and Accounts, the Ministry did not lay their own 'Review' on the working of the Institute.

4.2 The statement of reasons for delay in laying the Audited Accounts for 1979-80 reads as follows :

“The annual accounts of the Post-Graduate Institute of Medical Education and Research, Chandigarh are audited by the Accountant General, Himachal Pradesh, Simla. In accordance with the recommendations of the Committee on Papers, the accounts are required to be laid on the Table of the House within 9 months of the close of the relevant year. A copy of the certified annual accounts of the Post-Graduate Institute of Medical Education and Research, Chandigarh, for the year 1979-80, together with the Audit Report thereon was received from the Accountant General, Himachal Pradesh and Chandigarh, Simla in September, 1981. Hindi version of the Audit Report was received in the last week of November, 1981. On receipt of the Audit Report and accounts, action was initiated to make the requisite number of copies (in the Hindi and English versions) of the Audit Report. There has been some delay in the finalisation of the audit report for the reason that accounts/records of private grants (specific purpose grants) had not become available at the time of the regular audit during October/November, 1980. Audit of these accounts was conducted in May, 1981.”

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\*Annual Report for 1979-80 was laid on the Table of Lok Sabha on 26 March, 1981.

4.3 In paragraph 3.5 of their First Report (Fifth Lok Sabha), the Committee on Papers laid on the Table have recommended as under :

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

4.4 The Ministry of Health and Family Welfare, on being asked, furnished information on certain points, *vide* their communications dated 13 April and 3 May, 1982, as indicated below :—

<i>Points</i>	<i>Replies</i>
(i) The date on which the accounts for 1979-80 were ready.	August, 1980.
(ii) The date on which accounts were handed over to Audit.	The accounts were despatched to the Accountant General, Himachal Pradesh and Chandigarh, Simla on 14.8.1980 and received by the Accountant General on 18.8.1980.

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|-------|--|---|
| (iii) | The dates on which the audit was commenced and completed.          | The audit was conducted from 4.9.1980 to 14.11.1980.                                      |
| (iv)  | The date on which draft Audit Report was received.                 | Draft audit Report was received by the Institute <i>vide</i> A.G. letter dated 1.12.1980. |
| (v)   | The date on which draft Audit Report was replied to.               | 9.12.1980 and 12.12.1980.   |
| (vi)  | The date on which final audit Report was received by the Ministry. | 14.9.1981 (English version)<br>25.11.1981 (Hindi version)                                 |

4.5 In paragraphs 3.6 and 3.8 of the Second Report (Sixth Lok Sabha), the Committee on Papers laid on the Table recommended as follows :

“3.6 The Committee are of the view that laying of ‘Review’ alongwith the Annual Report of the organisation need not be confined only to Companies incorporated under the Companies Act, 1956. Even in the case of autonomous bodies, Government should examine the reports submitted by such bodies and prepare a ‘Review’ giving salient points of achievements, total expenditure incurred by the Government on the body, how far the autonomous body has achieved the object for which it was set up and what are the salient features of its future programme. Where the Report or the Audit Report mentioned any serious irregularity or any other matter of importance which needed corrective action or further enquiry, it was expected that Government made a mention in the Review of the action being taken in that direction. However, where information on all the aforesaid matters is already available in the report and Government have nothing to add thereto, Government should, in accordance with the recommendation made by the Committee in para 4.18 of their Second Report (Fifth Lok Sabha), lay on the Table along with report a statement saying that they are in agreement with the report and hence no ‘Review’ is being laid.”

3.8 The Committee hope that the administrative Ministries will critically examine Annual Reports/audited statements of accounts of the autonomous organisations under their control and invariably lay along with the Report/audited statement of accounts their own assessment before Parliament in the form of 'Review'."

4.6 Explaining the reasons for not laying 'Review' on the working of the Institute along with the Annual Report for 1980-81 and Audited Accounts for 1979-80, the Ministry of Health and Family welfare stated as under :

"The recommendations contained in paras 3.6 to 3.8 of the Second Report (Sixth Lok Sabha) of the Committee on Papers laid on the Table have inadvertently escaped our notice. As such the 'Review' on the Annual Report for the year 1980-81 and Audited Accounts for 1979-80 of the Institute could not be laid on the Table of the House. However, it will be ensured that in future this 'Review' is also laid on the Table of the House along with the Annual Reports and the Audit Reports."

4.7 As regards the steps taken to ensure timely laying of Annual Reports and Accounts of the Institute in future, the Ministry have stated :

"The Institute has reported that efforts are being made to complete the accounts for submission to Audit as early as possible so as to adhere to the prescribed date in future."

4.8 The Audited Accounts of the Institute for 1980-81 were laid on the Table of Lok Sabha on 5 August, 1982 with a statement of reasons for delay and 'Review' on the working of the Institute. The statement of reasons for delay reads as follows :

"The Annual Accounts of the Post-graduate Institute of Medical Education and Research, Chandigarh, are audited by the Accountant General, Himachal Pradesh and Chandigarh, Simla. In accordance with the recommendations of the Committee on Papers, accounts are required to be laid on the Table of the House within nine months of the close of the relevant year. A copy of the certified Annual Accounts of the Post-graduate Institute of Medical

Education and Research, Chandigarh for the year 1980-81 together with the Audited Report thereon was received from the Accountant General, Himachal Pradesh and Chandigarh, Simla, in May, 1982. The Hindi version of the Audited Report was received in the second week of June, 1982. On receipt of the Accounts action was initiated to make the requisite number of copies of the Report, in English and Hindi.” \*

4.9 The Annual Report for the year 1981-82 along with ‘Review’ of Government was laid on the Table on 24 February, 1983. The Audited Accounts for that year were laid on the Table on 28 July 1983 along with ‘Review’ and statement of reasons for delay. The statement of reasons for delay reads, *inter alia*, as under :

“The Annual Accounts of the PGIMER, Chandigarh for the for the year 1981-82 were submitted by the Institute to the Accountant General, Himachal Pradesh, Simla on the 14th September, 1982. The Accountant General received the Annual Accounts on the 20th September, 1982 and undertook the work regarding certification of accounts and audit thereon from 11.10.82 and concluded the same on 13.12.82. Replies to the Audit Inspection notes were sent by the Institute on 23.12.82. The Accountant General forwarded the Audit Report to the Ministry on the 11th April, 1983 (received in the Ministry on the 14th April, 1983). The comments of the Institute on the Audit Report were obtained. The Hindi version of the Audit Report was received from the Audit Officer on the 10th June, 1983. The Annual Accounts for the year 1981-82 and the Audit Report thereon are being placed on the Table of the Sabha.”

4.10 The Committee note that the Audited Accounts of the Post-Graduate Institute of Medical Education and Research, Chandigarh for the years 1979-80, 1980-81 and 1981-82 were laid on the Table of Lok Sabha after a delay of 14 months, 7 months and again 7 months, respectively. The Committee regret to note that despite their oft-repeated recommendation, contained in paragraph 3.5 of the First Report (Fifth Lok Sabha), that the Annual Reports and Audited Accounts of the autonomous organisations for a particular year should normally be laid on the Table of the House together, there has never been an occasion when the Annual Report and Audited Accounts of this Institute for a year had been so laid. It is needless to point out that laying of Annual Report without the Audited Accounts is meaningless



because the Members of Parliament do not get a complete picture of the activities undertaken and achievements made, by the organisation with the funds provided by the Government during a year. In order to ensure laying of the Annual Reports and Audited Accounts of the Institute together in time, the Committee recommend that a time bound programme for completion of accounts and the Report should be chalked out and its strict observance watched in future so that both the Annual Report and audited accounts are laid on the Table of the House together within 9 months of the close of the accounting year.

4.11 The Committee note that the Ministry of Health and Family Welfare did not lay their own 'Review' alongwith the Annual Reports of the Post—Graduate Institute of Medical Education and Research, Chandigarh for the years 1979-80 and 1980-81. However, on their attention being drawn to their lapses, the Ministry of Health and Family Welfare laid on the Table the requisite 'Review' alongwith the Annual Report of the Institute for the year 1981-82. The Committee trust that the Ministry will be more vigilant in future in this regard and will invariably lay their 'Review' alongwith the Annual Reports and Audited Accounts of the Institute.

4.12 From the statements of reasons for delay laid alongwith the Audited Accounts of the Post—graduate Institute of Medical Education and Research, Chandigarh for the years 1979-80, 1980-81 and 1981-82, the Committee find that these statements lack information required for identifying the stages where the delay had actually occurred. The Committee are constrained to observe that the Ministry have treated the requirement of laying of statement of reasons for delay as a mere formality. The Committee take a serious note of this attitude.

4.13 The Committee, therefore, recommend that the statement of reasons for delay should invariably indicate, in chronological order, the dates of finalisation of Report and accounts, their submission to audit, receipt of draft audit report, replies given to audit queries, if any, receipt of final audit report, translation and printing of Annual Report and Accounts, adoption of the Annual Report and Accounts by the General Body of the Institute, furnishing of copies of the Report and Accounts to the Ministry for laying on the Table of the House, etc., So that the House may identify the stage and extent of delay and suggest remedial measures where required.

## **CHAPTER V**

### **DELAY IN LAYING ANNUAL REPORTS AND AUDITED ACCOUNTS OF THE MAHATMA GANDHI INSTITUTE OF MEDICAL SCIENCES, SEWAGRAM, WARDHA FOR THE YEARS 1978-79 AND 1979-80.**

5.1 The Annual Reports and Audited Accounts of the Mahatma Gandhi Institute of Medical Sciences, Sewagram, [Wardha for the year 1978-79 and 1979-80 were laid on the Table of Lok Sabha on 4 March, 1982 with a statement showing reasons for delay. The Deputy Minister of Health and Family Welfare while laying the above Report and accounts did not lay in the 'Review' of Government on the working of the Institute.

5.2 The statement showing reasons for delay in laying the aforementioned Reports and Accounts reads as follows :

“Based on the recommendations of the Committee on Papers laid on the Table (6th Lok Sabha) that all Statutory/Autonomous Organisations, Public Undertakings, Corporations, Societies etc. which are financed out of the funds drawn from the Consolidated Fund of India, should lay their Annual Reports and Audited Accounts (Both English and Hindi) before both Houses of Parliament, irrespective of the fact whether the statutes, rules and regulations of such Organisations provide therefor or not, and whether they are registered under the Company's Act, 1956 or not, the Ministry of Finance had amended the General Financial Rules to the extent that it has been made obligatory on the part of all bodies/institutions/organisations to which grants are made by the Government to lay their Annual Reports and Audited Accounts on the Table of the House within 9 months of closing of the Financial year of the grantee institution.

In connection with implementation of the recommendations of the Committee on Papers, a doubt had arisen whether, for this purpose, it was necessary to require the grantee institution to amend suitably the Statute or Memorandum of Association or Bye-laws. The Department of Legal Affairs advised in January,

1981, that such an amendment was not necessary and that the Government, while giving grants, may direct that the Annual Accounts of such Institutions would be laid on the Table of the House.

The Kasturba Health Society, Sewagram, Wardha, which is running the Mahatma Gaudhi Institute of Medical Sciences, Sewagram, Wardha, has furnished the Audited Statement of Accounts and the Annual Reports for the years 1978-79 and 1979-80. However, as the Annual Reports for the two years were supplied by the Kasturba Health Society only in English and the Society expressed its inability to get the same translated into Hindi, the translation of these documents could be completed only in January, 1982. Hence the Audited Statements of Accounts and the Annual Reports for the years 1978-79 and 1979-80 are now being laid on the Table of the House."

5.3 In paragraphs 3.5 of their First Report (Fifth Lok Sabha) and 1.12 of Second Report (Sixth Lok Sabha), the Committee on Papers laid on the Table have recommended as under :

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

## [1R (CPL-5LS), paragraph 3.5]

“.....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.”

## [2R (CPL-6LS), paragraph 1.12]

5.4 The Ministry of Health and Family Welfare on being asked to furnish information on certain points, furnished the same *vide* their communications dated 31 March, and 20 April, 1982. The points on which information was asked for and the replies given there to are as follows :

<i>Points</i>	<i>Replies</i>
1	2
(i) The date on which the decision for laying Annual Reports and Accounts of the Institute was taken and communicated to the Institute.	29.9.1980
(ii) The date on which the Annual Reports for 1978-79 and 1979-80 were received in the Ministry.	22.6.1981
(iii) The date on which Audited statement of Accounts for 1978-79 was received in the Ministry.	21.10.1980
(iv) The date on which the Audited statement of Accounts for 1979-80 was received in the Ministry.	22.6.1981

1	2
(v) The date on which the Annual Reports and Accounts were sent for translation.	3.9.1981
(vi) The arrangements made by the Ministry/Institute to get the Annual Reports and Accounts translated into Hindi.	Annual Reports for the years 1978-79 and 1979-80 have been got translated into Hindi through the Hindi Branch of this Ministry.
(vii) The steps taken or proposed to be taken on ensure timely laying before Parliament the Annual Reports and Accounts of the Institute.	The Ministry has time and again stressed the need for furnishing the required documents timely so that these may be placed on the Table of the Lok Sabha and Rajya Sabha within the stipulated period. This has also been emphasised by the representatives of this Ministry in the meetings of the Standing Finance Committee of the Mahatma Gandhi Institute of Medical Sciences. These directions shall be further pursued to ensure compliance.

5.5 The Annual Report and Audited Accounts of the Mahatma Gandhi Institute of Medical Sciences, Sewagram, Wardha for the year 1980-81 were laid on the Table of Lok Sabha on 15 July, 1982 alongwith a statement of reasons for delay. The statement or reasons for delay *inter alia*, reads as under :

“The Kasturba Health Society, Sewagram, Wardha which is running the Mahatma Gandhi Institute of Medical Sciences, Sewagram, Wardha has furnished the Audited Statements of Accounts and the Annual Report for the year 1980-81. The Hindi version of the Annual Report has been received from the Society towards the end of February, 1982. Hence the Audited Statements

of Accounts and the Annual Reports for the year 1980-81, are now being laid on the Table of the House.”

The Ministry of Health and Family Welfare again, did not lay their own ‘Review’ on the working of the Institute.

5.6 In paragraphs 3.6 and 3.8 of their Second Report (Sixth Lok Sabha), the Committee on papers laid on the Table have recommended as under :

“3.6 The Committee are of the view that laying of ‘Review’ alongwith the Annual Report of the organisation need not be confined only to Companies incorporated under the Companies Act, 1956. Even in the case of autonomous bodies, Government should examine the reports submitted by such bodies and prepare a ‘Review’ giving salient points of achievements, total expenditure incurred by the Government on the body, how far the autonomous body has achieved the object for which it was set up and what are the salient features of its future programme. Where the Report or the Audit Report mentioned any serious irregularity or any other matter of Importance which needed corrective action or further enquiry. It was expected that Government made a mention in the Review of the action being taken in that direction. However, where information on all the afore-said matters is already available in the report and Government have nothing to add thereto, Government should in accordance with the recommendation made by the Committee in para 4.18 of their Second Report (Fifth Lok Sabha), lay on the Table along with report a statement saying that they are in agreement with the report and hence no ‘Review’ is being laid.

3.8 The Committee hope that the administrative Ministries will critically examine Annual Reports/audited statements of accounts of the autonomous organisations under their control and invariably lay along with the Report/audited statement of accounts their own assessment before Parliament in the form of ‘Review’.”

5.7 The Committee considered the matter at their sitting held on 4 November, 1982.

**5.8 The Committee note that the Annual Reports and Audited Accounts of the Mahatma Gandhi Institute of Medical Sciences, Sewagram, Wardha for the years 1978-79, 1979-80 and 1980-81 were laid on the Table of Lok Sabha after a delay of 26 months, 14 months and 6½ months, respectively.**

**5.9 The Committee, however, note that the Annual Report and Accounts of the Institute for the years earlier than 1978-79 were not laid on the Table of the House. It was only on 29 September, 1980 that the Ministry of Health and Family welfare took a decision on the basis of the advice given by the Ministry of Finance to lay the Annual Report and Audited Accounts of the Institute from the year 1978-79 onwards. Even if the delay is calculated from the date of decision of the Ministry, the delay in laying the Annual Report and Audited Accounts for the year 1978-79 comes to 17 months.**

**5.10 From the information supplied by the Ministry of Health and Family Welfare the Committee find that although the Audited Accounts of the Institute for the year 1978-79 were made available to the Ministry on 21 October, 1980 yet the Annual Report for that year was furnished to the Ministry on 22 June, 1981 alongwith the Annual Report and Audited Accounts for the subsequent year 1979-80. The Committee feel that the Ministry did not take the necessary steps expected of them to see that the delay which had already occurred in respect of the Annual Report and Accounts for 1978-79 should not increase any further. Had the Ministry of Health and Family Welfare impressed upon Institute the urgent need of laying of the Annual Reports and Accounts of the Institute, the Annual Report and Audited account not only for the year 1978-79 but also for the year 1979-80 would have been laid on the Table earlier.**

**5.11 The Committee note that the time taken for translation of the Annual Reports and Audited Accounts for the years 1978-79 and 1979-80 also contributed to the delay in laying them on the Table of the House. Since laying of both the Hindi and English versions of documents on the Table of the House is a statutory obligation, permanent arrangements ought to have been made to ensure expeditious translation of the Annual Report and Audited Accounts of the Institute so that no delay was caused on that account. The Committee hope that in order to avoid unnecessary delay on that account in future, the Mahatma Gandhi Institute of Medical Sciences would make some permanent arrangement for translation of the Annual Report and Audited Accounts in Hindi.**

5.12 The Committee are concerned to note that despite their recommendations made in paragraphs 3.6 and 3.8 of their Second Report (Sixth Lok Sabha), the Ministry of Health and Family Welfare did not lay their own 'Review' alongwith any of the Annual Reports and Audited Accounts for the years 1978-79, 1979-80 and 1980-81. The Committee take a serious note of this lapse on the part of the Ministry. The Committee are constrained to observe that their recommendations have not been taken seriously by the Ministry. The Committee hope that the Ministry of Health and Family Welfare would be very careful in future and while laying the Annual Reports and Audited Accounts of the Institute, would invariably lay their own assessment of the working of the Institute in the form of 'Review' as contemplated in the said recommendations.

5.13 The Committee note that the Annual Reports and Audited Accounts of the Institute for the year 1981-82 which should have been laid on the Table of the House by 31 December, 1982, have not so far been laid. The Ministry of Health and Family Welfare have not even laid on the Table of the House any statement explaining the reasons why the said Annual Report and Accounts could not be laid on the Table of the House within the stipulated period as per recommendation contained in paragraph 3.5 of their First Report (Fifth Lok Sabha). This leads the Committee to conclude that their recommendations have not received the respect that they deserved. The Committee, therefore, need hardly stress that their above recommendations should be strictly followed in future.

5.14 On examination of the statements of reasons for delay laid alongwith the Annual Report and Audited Accounts for the years 1978-79, 1979-80 and 1980-81, the Committee find that adequate details have not been spelt out to enable the Committee to pin point the stage where the delay had actually occurred. The Committee, therefore, recommend that the statement of reasons for delay should invariably indicate, in chronological order, the dates of finalisation of Report and Accounts, their submission to audit, receipt of draft audit report, replies given on audit queries, receipt of final audit report, translation and printing of Annual Report and Accounts, adoption of the Annual Report and Accounts by the General Body, furnishing of copies of the Report and Accounts to the Ministry for laying on the Table of the House, etc., so that the House may identify the stage and extent of delay and suggest remedial measures where required.



## CHAPTER VI

### DELAY IN LAYING ANNUAL REPORTS AND AUDITED ACCOUNTS OF THE CENTRAL COTTAGE INDUSTRIES CORPORATION OF INDIA LIMITED, NEW DELHI

6.1 The Annual Report together with Audited Accounts of the Central Cottage Industries Corporation of India Limited, New Delhi for the year 1978-79, 'Review' of government thereon and a statement explaining reasons for delay in laying that Report were laid on the Table of Lok Sabha on 18 September, 1981.

6.2 The Statement explaining the reasons for delay in laying the Annual Report and Audited Accounts of the Corporation for 1978-79, reads as under :

“The laying of the Annual Report and Audited Accounts of the Central Cottage Industries Corporation of India Ltd. for the year 1978-79 has been delayed because due to some unavoidable circumstances the Statutory Audit was finalised only in April, 1980. The receipt of the comments of CAG were delayed accordingly and AGM could be convened only on 21-4-1981. The accounts, duly approved at the AGM, were got printed both in Hindi and English and received in the Department of Textiles only on 17-8-1981. The accounts were thereafter examined in the Department and are being placed on the Table of the House during the current Session. The delay in laying the report is regretted.

Strict instructions have been issued to ensure that in future the Annual Report and the Audited Accounts of CCIC must be laid on the Table of both the House on time, under all circumstances.”

6.3 The Committee on Papers laid on the Table have recommended in paragraph 4.16 of their Second Report (Fifth Lok Sabha) as follows :

“.....as in the case of the Reports of the Autonomous Organisations, Reports of Government Companies should also be laid within 9 months of the close of the accounting year. The Committee further recommend that where it is not possible for the Government to lay the Report of any Company within that period they should lay on the table a statement explaining the reasons for not laying the Reports within 30 days from the expiry of the period of nine months and if the House is not in Session at that time, the statement should be laid on the Table within seven days of reassembly of the House.

6.4 On being asked, the Ministry of Commerce have stated the date-wise position of the Annual Report and Accounts of the Corporation for the year 1978-79 as under :

- |   |  |
|---|--|
| (i) Date on which the company Law Board was approached to appoint Statutory Auditors. | October, 1978.   |
| (ii) Date on which the Statutory Auditors were appointed.                             | 13 November, 1978  |
| (iii) Date of compilation of accounts for 1978-79.                                    | November, 1979   |
| (iv) Date when the Statutory Auditors commenced and completed the audit.              | The Statutory auditors commenced routine audit in June, 1979 but had to stop for nonavailability of records as the same were taken by the Central Bureau of Investigation in August, 1979. The records were returned to the Corporation in the first week of October, 1979 only. |
| (v) Date on which final audit report was received.                                    | 14 November, 1980  |

- |   |                  |
|---|------------------|
| (vi) Date on which the comments of C & AG on the accounts were received.                  | 13 March, 1981   |
| (vii) Date on which the Annual General Meeting was held to adopt the Audited Accounts.    | 21 April, 1981.  |
| (viii) Date when copies of the Annual Report and Accounts were furnished to the Ministry. | 17 August, 1981. |

6.5 As regards the position of the Annual Reports and Accounts of the Corporation for the years 1979-80 and 1981, the Ministry have informed on 30 March, 1982 as under :

- “(a) The Annual Accounts for 1979-80 have been forwarded to the CAG for their comments. As regards accounts for the year 1980-81, the Corporation is following up with the Company Law Board for the appointment of Statutory Auditors.
- (b) The Corporation is following up with the CAG for finalisation of comments on the annual accounts for 1979-80 and company Law Board has been requested to expedite the appointment of Statutory auditors for 1980-81.
- (c) The annual accounts for the year 1979-80 and 1980-81 are likely to be ready for laying on the Table of the House in June, 1982 and January, 1983, respectively.”

6.6 The Ministry of Commerce have also intimated that all possible steps are being taken to clear the arrears in audit at the earliest to ensure timely laying of Annual Accounts in future.

6.7. The Annual Report together with the Audited Accounts of the Corporation for the year 1979-80, 'Review' of Government thereon and a statement explaining the reasons for delay in laying the Report

and accounts were laid on the Table of Lok Sabha on 10 May, 1983. The statement of reasons for delay reads as follows :—

“The Accounts for the year 1978-79 could only be finalised and adopted in the Annual General Meeting in 1981. Thereafter the accounts had to be got approved by the Board of Directors and sent to the CAG for comments.

The translation work and the printing of the copies also took considerable time. This resulted in the delay of laying the Report.”

6.8 While going through the Audited Accounts of the Central Cottage Industries Corporation of India Limited, New Delhi for the years 1978-79, and 1979-80, a large number of observations made by the Audit have been noticed. Some of these observations are reproduced below.

### *AUDITED ACCOUNTS FOR THE YEAR 1978-79*

#### *SCHEDULE—I*

XXX

XXX

XXX

#### *B. Balance Sheet*

##### *1. FIXED ASSETS*

Reconciliation of balance as per books and as per physical verification reports remain to be done.

##### *2. CURRENT ASSETS, LOANS AND ADVANCES*

###### *(1) STOCKS*

- (i) Stocks laying with fabricators, processors, printers and tailors amounting to Rs. 1, 03, 798 remain unconfirmed (previous year Rs. 46,674).
- (ii) Stocks valuing Rs. 16, 67, 941 lying with the Corporation on consignment basis have not been included in the accounts (previous year as

Rs. 14,93,806). The confirmatory letters for the goods held on consignment have not been obtained from the parties concerned. The accumulated liability on account of shortages in respect of consignment goods as on 31st March, 1979 is Rs. 2.50, 740.

XXX XXX XXX

- (vi) Stock ledgers reveal certain differences and discrepancies resulting in accurate closing minus/plus balances. Purchases as per financial book and stock books of account do not stand/tallied. There is a difference of Rs. 3.10 lakhs, which is under process of re-conciliation.

XXX XXX XXX

(7) The account with the CCIC Employees P.F. Trust remains unreconciled.

#### C. PROFIT AND LOSS ACCOUNT

1. (i) Purchases include Rs. 49,46,632 (previous year Rs. 50,48,759) which have been booked in the accounts on consignment basis which remained unverified.
- (ii) Purchases are booked only after inspection and acceptance. As such, no entries in respect of goods valuing Rs. 1.60 lakhs received in Stores before 31st March, 1979 lying uninspected and unaccepted have been made in the book.

XX XX XX XX XX

#### AUDITED ACCOUNTS FOR THE YEAR 1979-80 SCHEDULE

XX XX XX XX XX

#### 2. CURRENT ASSETS

##### A. STOCKS

XX XX XX XX XX

- (iv) Stocks Ledgers reveal certain difference and discrepancies resulting in accurate closing minus/plus balances. Purchases and Sales as per financial books and stock books of account do not stand tallied to the extent of Rs. 1.11 lakhs (previous

year 3.10 lakhs) including Rs. 0.29 lakhs on account of embezzlement (previous year Rs. 2.29 lakhs) and Rs. 0.34 lakhs (previous year nil) respectively. The difference of Rs. 0.82 lakh of purchases (Rs. 1.11 lakhs—Rs. 0.29 lakhs) previous year Rs. 0.81 lakhs (Rs. 3.10 lakhs—Rs. 2.29 lakhs) and Rs. 0.34 lakhs of sales remained unreconciled.

XXX

XXX

XXX

XXX

3. The account with the Holding Company-Handicrafts and Handlooms Export Corporation of India Limited remain unconfirmed. Their reconciliation statement includes certain Debits/Credits which if and when responded may affect the accounts.
4. Fire and theft occurred at New Delhi Emporium in July and December, 1979 respectively involving loss of certain fixed assets and stocks. Their resultant losses could not be identified and determined, though the Corporation has received insurance claim of Rs. 3.48 lakhs on the basis of estimated claims filed amounting to Rs. 4.44 lakhs.

6.9 The Committee are distressed to note that laying on the Table of Lok Sabha, the Annual Reports and Audited Accounts of the Central Cottage Industries Corporation of India Limited, New Delhi for the years 1978-79 and 1979-80 was delayed by as many as 20½ months and 28 months, respectively. It is regrettable that the time gap between laying of the Annual Reports of Corporation for the years 1978-79 and 1979-80 is of about 17 months. The Committee apprehend that if the present pace of delay persists, the Annual Reports and Audited Accounts of the Corporation would never be laid on the Table of the House in time, in future.

6.10 It is disquieting to note that the Annual Reports and Audited Accounts of the Central Cottage Industries Corporation of India Limited, New Delhi for the years 1980-81 and 1981-82 which should have been laid on the Table by 31 December, 1981 and 31 December, 1982, respectively, have not so far been laid. The Committee feel that some special efforts would have to be made by the Corporation and the Ministry of Commerce to liquidate the old arrears of Reports and accounts. Unless the old arrears are cleared, future reports are bound to be delayed. The Committee trust

that the Annual Reports, audited accounts and Audit Reports pertaining to the years 1980-81 and 1981-82 would be laid without any further delay. As regards the future Annual Reports and Accounts of the Corporation, the Committee recommend that the Ministry, in consultation with the Corporation and the Audit Authorities should lay down some time schedule for completing all formalities involved in the finalisation of the Annual Reports and Accounts of the Corporation so that these are laid on the Table of the House within nine months of close of the accounting year as already recommended by the Committee in para 4.16 of their Second Report (Fifth Lok Sabha).

6.11 In paragraph 4.16 of their Second Report (Fifth Lok Sabha), which was presented to Lok Sabha as early as 12 May, 1976, the Committee had recommended that where it is not possible for the Government to lay the Report of any Company within a period of 9 months of close of the accounting year, they should lay on the Table a statement explaining the reasons for not laying the Report, within 30 days from the expiry of that period and if the House is not in Session at that time, the statement should be laid on the Table within seven days of re-assembly of the House. The Committee note that no such statement was laid on the Table of the House by the Ministry of Commerce in respect of any of the Annual Reports and Audited Accounts of the Corporation for the years 1978-79 to 1981-82. This shows how apathetic attitude of the Ministry of Commerce has been towards the recommendations of the Committee. At no stage the Ministry of Commerce seem to have acted with caution and care in the matter of laying of Annual Reports and Audited Accounts of the Central Cottage Industries Corporation of India Limited, New Delhi. The Committee take a serious note of the non-compliance of their recommendation. The Committee desire the Ministry of Commerce to fix responsibility for non-compliance of their recommendation. The Committee need hardly emphasise that the Ministry of Commerce should be more careful in future and the recommendations of the Committee should be implemented in letter and spirit.

6.12 From the information supplied by the Ministry of Commerce, the Committee find that the Statutory Auditors took as long as one year in auditing the accounts of the Corporation for the year 1978-79. While going through the Audited Accounts of the years 1978-79 and 1979-80, the Committee have noticed that a large number of deficiencies have been pointed out by the Auditors in the accounts. This clearly shows that the accounts of the Corporation are not being maintained properly. The Committee feel that if the accounts had been maintained properly, the auditors would not have taken such a long time in auditing the accounts

of the Corporation. It is distressing that a commercial organisation like the Central Cottage Industries Corporation of India, New Delhi should have failed in maintaining its accounts properly. The Committee, therefore, impress upon the Ministry of Commerce the need to streamline the existing accounting procedure of the Corporation so that the accounts of the Corporation are maintained properly in future and no delay is caused at the auditing stage of the accounts.



## CHAPTER VII

### LAYING OF ANNUAL ADMINISTRATION REPORTS AND AUDITED REPORTS OF CANTONMENT BOARDS RECEIVING GRANTS-IN-AID FROM GOVERNMENT BEFORE PARLIAMENT

7.1 In paragraphs 1.11, 1.12 and 1.14 of their Second Report (Sixth Lok Sabha) presented to the House on 22 December, 1977, the Committee on Papers laid on the Table observed/recommended as under :

“1.11 The Public Accounts Committee in paragraph 18 of their 18th Report (1958-59) had desired that all autonomous organisations, where the money from the Consolidated Fund of India is invested/advanced, after being voted by Parliament, should lay their Annual Reports/Audited Reports before Parliament. This recommendation was intended to cover mainly the autonomous bodies the rules of which do not provide for laying of Reports before Parliament.

1.12 The Committee, therefore, recommend that 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) 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 The Committee further recommend that 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."

7.2 The Ministry of Defence requested for exemption of the Cantonment Boards from laying their Annual Reports and audited account before Parliament as they were finding it difficult to lay the same within nine months of the close of the relevant accounting year.

There are 62 Cantonments located all over the country and majority of the Cantonment Boards are paid grants-in-aid by the Government. The Cantonment Boards are autonomous local bodies constituted and administered under the Cantonment Act, 1924.

7.3 Before the matter could be placed before the Committee for their consideration, the Ministry of Defence were requested to furnish information on the following points :

- (i) whether there are any provisions in the Cantonment Act, 1924, which prohibit the Ministry from laying the Annual Reports and audited accounts of the Cantonment Boards before Parliament; if so, what are those; and
- (ii) What other difficulties are expected to be faced by Government in implementing the recommendations of the Committee made in paragraphs 1.12 and 1.14 of their Second Report (Sixth Lok Sabha) so far as Cantonment Boards are concerned.

7.4 As regards point (i) in paragraph 7.3 above, the Ministry have stated that there is no provision in the Cantonment Act, 1924 which prohibits the laying of Audited Reports of Cantonments before Parliament nor there exists any provision requiring Cantonment Boards to lay such documents/Statements on the Table of the House.

7.5 In reply to point (ii) in paragraph 7.3 above, the Ministry of Defence have stated *inter alia* as under :

“.....Central Government does not invest any money in the Cantonment Boards nor make any advances to the Cantonment Boards. These Boards are autonomous local bodies akin to municipalities deriving their income mainly from taxes and local sources of revenue. Where expenditure incurred by these Boards exceeds their income to the extent that they are unable to provide for an actual closing balance representing 10% of the total expenditure, subsidy is sought from the Central Government by way of ordinary grant-in-aid.

The position in this regard varies from year to year.

As far as Defence Ministry is aware that Municipal Corporation including Delhi Municipal Corporation/NDMC which are functioning under authority of Central enactment and are receiving grant from the Central Government are not placing Reports either before the State Legislature or before Parliament.

The accounts of the Cantonment Boards are audited twice annually through Local Audit Officers functioning under the Controller of Defence Accounts. The audited Reports are processed progressively. Cases of serious audit objections are invariably included in the reports submitted to the Public Accounts Committee for scrutiny and further directions. If these are to be placed before both Houses of Parliament, 124 Reports of this nature representing 62 Cantonments would have to be processed and prepared in English and Hindi for submission to Parliament. It would be difficult for the Cantonment Boards located in Non-Hindi States to prepare the reports bilingually.

Similarly the annual accounts of the individual Boards are prepared every year and submitted to the GOC-in-C of the Command through the LAO/CDA concerned and the GOC-in-C of the Command forwards to the Central Government a statement showing the actual income and expenditure under the various budget heads of receipts and expenditure together with the certificate regarding the closing cash in balance. It is submitted that this would be a gigantic task to prepare the requisite folio of copies

of these statements in respect of 62 Cantonment Boards in English and Hindi and submit them to Parliament.

All Cantonment Boards are not State aided and even where grants-in-aid are given the quantum is meagre as compared to the overall allocation of grant-in-aid made by the Central Government to various State Governments and institutions both public and private. The magnitude of the task which perhaps may not be commensurate with the purpose in view.

If the requirement is still pressed, it would be necessary to provide for suitable machinery at the level of each Cantonment Board. Command, Directorate General, DL & C and Ministry of Defence which would be entrusted with the exclusive task of processing these reports and arranging them in proper shape for placing before both Houses of Parliament. It is feared that this would result in causing infructuous financial burden on the State."

7.6 At their sitting held on 26 May, 1982, the Committee considered the request of the Ministry of Defence for exemption from laying the Annual Reports and Audited Reports of Cantonment Boards. The Committee were of the view that before a decision was taken in the matter, the representatives of the Ministry of Defence might be called to place their views before the Committee. Accordingly, the representatives of that Ministry appeared before the Committee on 21 September, 1982 to tender evidence on the subject.

7.7 On being enquired about the total annual revenue and expenditure of each Cantonment Board during the years 1978-79, 1979-80 and 1980-81 and the percentage of grant-in-aid given to each Board during those years, the Additional Secretary, Ministry of Defence stated, *inter-alia*, as under—

".....there are 62 Cantonments. These Cantonments are divided into four categories, A.B.C.D. Out of these 62 cantonments, roughly 48 to 50 Cantonments—this figure changes from year to year—get a grant-in-aid from the Government of India. The rest of them are able to develop an equilibrium between the receipts and expenditure. Therefore, they are not given any grant-in-aid in the normal course. The quantum of grant-in-aid varies. In certain cases it is only in thousands of rupees .....On the other hand, there are some cases where we have given the grant-in-aid in lakhs of rupees.....In terms

of percentage, it varies from 20 per cent to 300 per cent. The percentages do not give a very accurate idea because if the income is very small, then even a small quantum of grant-in-aid can give an impression that it is a very heavy subsidy or grant-in-aid. But this is not so."

7.8 The representative of the Ministry supplied a statement (Appendix-III) showing income and expenditure and ordinary grants-in-aid given to the Cantonment Boards during the year 1980-81.

7.9 On being asked whether every Cantonment Board prepared its Annual Administration Report and submitted it to the Ministry of Defence and the difficulty, if any, in laying those Reports on the Table of the House, the representative of the Ministry informed the Committee that as prescribed under the law, the Annual Administration Reports were prepared and furnished to the Central Government through the Director General, Defence Lands and Cantonments. The Reports had to pass through a long chain of Commands and through the the GOC-in-C before they reached the Ministry of Defence. Explaining the difficulties in laying the Reports on the Table of the House, the witness stated :

"Firstly these Reports are being typed out in English only. You would like them to be in both the languages, English and Hindi. Secondly, we make a limited number of copies. You would like a very large number of copies to be made in both the languages for the information of the Members both the Houses. Thirdly, these Reports travel through a long chain of Command. It has been suggested that they should be placed on the Table of the House within 9 months of the close of the financial year. Some of these Cantonments are very very small indeed and their infrastructure in so far as the administrative set-up is concerned, is very limited or small. Consequently, these small Cantonments Boards will find it very difficult to adhere to the time-frame. This is the problem of Administration."

7.10 Elaborating further to witness stated that some Cantonment Boards were very small and in many cases the Ministry did not give any grant-in-aid at all. The Cantonments which got grant-in-aid in one year ought not get it during the next year.

7.11 As regards the method of maintenance of Annual Accounts, the representative of the Ministry stated that the Annual Accounts of the Cantonment Boards were explained and audited by the local Audit Officer. The Audit Report was one but was divided into two six-monthly portions. In each Audit Report, there was a complete check-up of the Accounts and the Stores etc. and then, through the Controller of Defence Accounts these Audit Reports were submitted to the Controller-General of Defence Accounts. Annually, the Controller General of Defence Accounts submitted a Report known as Appropriation Accounts of the Defence Service which was laid on the Table of the House and contained the following Certificate of the Controller-General of Defence Accounts :

“I also certify that the expenditure met from the said grants-in-aid to Cantonment Boards from the Defence Services Estimates, has been checked under my directions. The conditions on which such grants were made have been fulfilled.”

7.12 The witness further stated that the accounts were also certified by the Comptroller and Auditor-General of India and a Certificate was issued by him in the following form :

“These accounts have been examined under my direction. On the basis of the information and explanations that my officers required and have obtained, and according to the best of my information as a result of the test audit of the accounts, I certify, in pursuance of the provisions of Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor-General (Duties, Powers and Conditions of Service) Act, 1971, that these accounts are correct subject to the observations in my Report on the Defence Service for the year 1978-79.”

The representative of the Ministry was of the opinion that the Parliamentary obligation was fulfilled inasmuch as certain funds had been given to the Defence Services from the Consolidated Fund of India and those had been duly audited and a Certificate given by the highest authority in the Defence Accounts Department was laid on the Table of the House along with the Appropriation Accounts.

7.13 The witness suggested that in order to obtain a clear picture the Controller-General of Defence Accounts could be asked to give a Certificate in a more elaborate form which would give greater satisfaction and credibility about the performance of the Cantonment Boards.

7.14 When asked why the Annual Reports of the Cantonment Boards could not be laid on the Table of the House when the Ministry of Defence received them annually from them, the representative of the Ministry stated that that could be done but it would mean additional work for the small Boards which had an income of roughly ; about Rs. 20,000 a month. The witness, however suggested that :

“We can fix a financial limit and Cantonment Boards which have received grants-in-aid beyond that limit, let us say Rs. 10 lakhs, their reports should be laid on the Table of the House. This is a considerable and significant amount. As I mentioned most of the Cantonment Boards received only a few thousands and I am sure this body has too many things on its hand and would not like to bother about administrative reports of small, little Cantonment Boards. But if a figure of this nature can be fixed, we would be quite willing to comply with those instructions. I am saying purely from the point of view of cost-effectiveness because only bigger Boards will have the administrative infrastructure to comply with your instructions.”

7.15 The Committee note that there are 62 Cantonments spread all over the country and majority of the Cantonment Board receive ordinary grants-in-aid from the Government. The Committee also note that these Cantonment Boards are autonomous local bodies constituted and administered under the Cantonment Act, 1924.

7.16 From the analysis of the amounts of ordinary grants-in-aid given by the Government to the various Cantonment Boards during the year 1980-81, the Committee find that out of 62 Cantonment Boards, only 9 Cantonment Boards received more than Rs. 10 lakhs each, 15 Boards received between Rs. 5 lakhs and Rs. 10 lakhs each. 23 Boards received less then Rs. 5 lakhs and 15 Boards did not receive any grants-in-aid. The Committee further find that the Government advanced Rs. 3,56,63,800 as ordinary grant-in-aid to the Cantonment Boards during the year 1980-81. The Committee feel that since amounts of such a huge magnitude are being given by the Government as grants-in-aid to the Cantonment Boards,

Parliament ought to be informed about the proper utilization of these grants.

7.17 The suggestion given by the representative of the Ministry of Defence during his evidence before the Committee that Reports of only those Cantonment Boards which receive Rs. 10 lakhs and above as grants-in-aid from Government should be laid on the Table is not acceptable to the Committee because only 9 Cantonment Boards out of 62 which received Rs. 10 lakhs and above as grants-in-aid during the year 1980-81 would be covered and the Parliament would not come to know about the performance of the rest of the 53 Cantonment Boards which received major share of the grants-in-aid during that year. Taking all factors into consideration, the Committee have come to the conclusion that the Annual Administration Reports and Audited Reports in respect of all Cantonment Boards should be laid together before Parliament within 9 months of the close of the accounting year and the guidelines laid down by the Committee in their recommendation made in para 3.5 of their First Report (Fifth Lok Sabha) in regard to laying of Annual Reports, audited accounts and Audit Reports of autonomous bodies should be followed.

7.18 The Committee note that the Cantonment Boards prepare their Annual Administration Reports and submit them to the Ministry of Defence but these are not laid before Parliament. The Committee are of the view that since the Annual Administration Reports of all Cantonment Boards are in any case prepared and furnished to the Ministry of Defence, there should be no difficulty in laying them on the Table. It would be more useful, if all the Reports are consolidated together and laid before Parliament in a consolidated form.

NEW DELHI ;  
18 August, 1983,  
 27 Shrawana, 1905 (S)

KRISHNA SAHI,  
 Chairman,  
 Committee on Papers Laid on the Table.



## APPENDIX I

(Vide para 1.6 of Chapter I)

### STATEMENT SHOWING NAMES OF INSTITUTES/ORGANISATIONS RECEIVING GRANTS-IN-AID FROM THE DEPARTMENT OF FOOD AND THE AMOUNT OF FINANCIAL ASSISTANCE GIVEN TO EACH OF THEM DURING THE YEARS 1977-78, 1978-79 AND 1979-80.

S. No.	Name of the Institute/ organisation	Year of financial assistance (in rupees)			Dates of laying of Annual Reports/Audited Accounts	
		1977-78	1978-79	1979-80	1979-80	1980-81
1	2	3	4	5	6	7
1.	Institute of Hotel Management Catering & Nutrition, New Delhi.	13,09,000	12,78,936	12,50,000	23.2.1981	18.2.1982
2.	Institute of Hotel Management, Catering Technology & Applied Nutrition, Bombay.	6,15,442	6,87,000	15,38,226	-do-	-do-
3.	Institute of Hotel Management, Catering Technology & Applied Nutrition, Madras.	4,96,000.	10,75,000	9,77,800	-do-	-do-

1	2	3	4	5	6	7
4.	Institute of Hotel Management, Catering Technology & Applied Nutrition, Calcutta.	11,64,500	2,78,000	5,80,600	23.2.1981	18.2.1982
5.	Foodcraft Institute, Chandigarh.	2,15,000	2,77,690	2,79,927	-do-	-do-
6.	Foodcraft Institute, Jaipur.	2,28,000	1,83,620	1,79,380	-do-	-do-
7.	Foodcraft Institute, Bhopal.	2,36,520	2,52,074	3,31,937	-do-	-do-
8.	Foodcraft Institute, Bangalore.	9,46,000	20,000	50,052	-do-	-do-
9.	Foodcraft Institute, Delhi (Started receiving grants-in-aid from 1980-81 onwards)	—	—	—	—	—
10.	Foodcraft Institute, Kalamassery (Cochin)	10,20,000	8,96,000	23,509	-do-	-do-

11.	Post Harvest Technology Centre, Indian Institute of Technology, Kharagpur, West Bengal.	7,00,000	4,95,000	5,90,000
12.	Paddy Processing Research Centre, Tiravarur Tamil Nadu.	1,35,000	2,15,150	2,48,000
13.	Regional Centre for Extension Service, Modernisation of Rice Processing, Annamalai University, Annamalainagar, Tamil Nadu.	3,95,000	5,38,600	3,47,050
14.	Regional Extension Service Centre, Modern Rice Milling, C. S. Azad University of Agriculture & Technology, Kanpur (U.P.)	1,00,000	2,00,000	Nil

Annual Reports/audited accounts  
Not being laid

1	2	3	4	5	6	7
15.	Regional Extension Service Centre, Modern Rice Milling, Govt. of Andhra Pradesh, Hyderabad.	—	45,000	95,075		
16.	Punjab Agricultural University, Ludhiana.	71,770	—	54,000		
17.	The National Productivity Council, New Delhi.	—	10,000	—		
18.	The Orissa University of Agriculture & Technology, Bhubaneswar.	—	—	4,500		Annual Reports/audited accounts Not being laid.
19.	The Madhya Pradesh State Marketing Federation Ltd., Raipur.	—	—	9,100		
20.	The University of Madras, Madras.	—	—	50,000		
21.	The Central Mechanical Engineering Research Institute, Durgapur.	—	—	20,000		

## **APPENDIX II**

[Vide para 2.6 of Chapter II]

### **EXTRACT OF SECTION 4 OF THE IRON ORE MINES AND MANGANESE ORE MINES LABOUR WELFARE FUND ACT, 1976**

"4. The Fund shall be applied by the Central Government to meet the expenditure incurred in connection with the measures which, in the opinion of that Government, are necessary or expedient to promote the welfare of persons employed in the iron ore mines and manganese ore mines, and in particular -

- (a) to defray the cost of measures for the benefit of persons employed in the iron ore mines or manganese ore mines directed towards—
  - (i) the provision and improvement of public health and sanitation, the prevention of disease and the provision and improvement of medical facilities ;
  - (ii) the provision and improvement of water supplies and facilities for washing ;
  - (iii) the provision and improvement of educational facilities ;
  - (iv) the provision and improvement of housing and recreational facilities including standards of living nutrition and amelioration of social conditions ;
  - (v) the provision of transport to and from the place of work.
- (b) to grant loan or subsidy to a State Government, a local authority or the owner of an iron ore mine or of a manganese ore mine, in aid of any scheme approved by the Central Government for any purpose connected with the welfare of persons employed in iron ore mines or manganese ore mines ;

(c) to pay annually grants-in-aid to such of the owners of iron ore mines or manganese ore mines who provide to the satisfaction of the Central Government welfare measures of the prescribed standard for the benefit of persons employed in their mines, so however, that the amount payable as grants-in-aid to such owners shall not exceed—

(i) the amount spent by them in the provision of welfare measures as determined by the Central Government or any person specified by it in this behalf ; or

(ii) such amount as may be prescribed, whichever is less :

Provided that no grant-in-aid shall be payable in respect of any welfare measures provided by the owner of an iron ore mine or of a manganese ore mine where the amount spent thereon determined as aforesaid is less than the amount prescribed in this behalf ;

(d) to meet the allowances, if any, of the members of the Advisory Committee and the Central Advisory Committee constituted under section 5 and section 6 respectively and the salaries and allowances, if any, of persons appointed under section 8 ;

(e) any other expenditure which the Central Government may direct to be defrayed from the Fund.”

### APPENDIX III

[Vide paragraph 7.8 of Chapter VII]

#### STATEMENT SHOWING ORDINARY GRANTS-IN-AID GIVEN BY GOVERNMENT TO THE CANTONMENT BOARDS DURING THE YEAR 1980-81

S. No.	Name of the Cantt. Board	Income	Expenditure	Grant-in-aid	Percent- age of col. 3 to 5
1	2	3	4	5	6
1.	Agra	42,72,099	65,95,041	13,50,000	32%
2.	Ahmedabad	3,95,000	16,59,134	8,45,000	214%
3.	Ahmednagar	20,14,900	34,30,237	7,00,000	35%
4.	Ajmer	66,910	4,69,076	1,55,600	203%
5.	Allahabad	18,07,283	33,61,310	9,25,000	51%
6.	Almora	3,31,097	3,31,097	NIL	0%
7.	Amritsar	1,16,833	9,11,496	6,82,000	583%
8.	Ambala	29,83,000	40,23,790	NIL	0%
9.	Aurangabad	15,57,350	15,29,180	NIL	0%
10.	Babina	20,07,120	24,92,800	3,53,900	17%
11.	Badamibagh	8,99,270	13,59,838	4,19,000	47%
12.	Bakloh	4,03,954	7,02,097	3,54,700	88%
13.	Barrackpore	2,96,404	21,76,167	14,90,100	503%
14.	Bareilly	13,82,517	28,05,410	9,90,400	72%
15.	Belgaum	31,19,000	30,33,500	NIL	0%
16.	Cannanore	3,89,670	2,70,600	NIL	0%
17.	Chakrata	9,50,063	15,62,943	4,18,000	45%
18.	Clement Town	7,11,909	12,45,011	3,67,000	52%
19.	Dagshai	3,02,419	8,33,811	2,97,500	99%

1	2	3	4	5	6
20.	Dalhousie	6,43,406	9,56,646	2,88,700	40%
21.	Dehradun	33,12,550	34,87,170	17,59,000	50%
22.	Dehu Road	49,00,789	48,30,906	NIL	0%
23.	Delhi	81,23,872	70,45,100	NIL	0%
24.	Deolali	9,58,044	21,95,616	8,07,400	84%
25.	Dinapore	3,37,826	9,29,347	8,67,300	256%
26.	Faizabad	2,98,540	12,55,100	4,80,000	161%
27.	Fatehgarh	5,45,400	5,56,753	5,55,000	102%
28.	Ferozepore	31,74,149	49,42,307	25,26,300	80%
29.	Jabalpur	38,61,948	47,92,745	NIL	0%
30.	Jalapehar	16,038	Not available	2,50,100	156%
31.	Jammu	8,87,962	12,18,670	2,26,200	25%
32.	Jhansi	13,34,830	21,26,150	4,89,000	37%
33.	Jullundur	30,70,358	58,69,336	21,54,500	70%
34.	Jutegh	3,15,686	7,93,950	4,29,200	136%
35.	Kamptee	10,81,361	11,09,836	9,16,100	85%
36.	Kanpur	58,79,711	58,88,000	NIL	0%
37.	Kasauli	4,15,403	12,64,986	6,82,600	165%
38.	Khasyol	5,91,037	13,05,220	5,11,400	86%
39.	Kirkee	1,36,43,000	1,22,65,000	NIL	0%
40.	Landour	1,53,818	4,29,960	1,71,000	111%
41.	Lansdowne	9,69,658	16,96,290	5,80,000	60%
42.	Lebong	2,16,575	3,93,427	1,76,800	82%
43.	Lucknow	23,31,189	43,01,331	17,61,000	76%
44.	Mathura	11,72,466	18,37,784	4,05,000	35%
45.	Meerut	61,52,840	1,04,24,818	17,71,100	28%
46.	Mhow	46,57,370	60,13,500	13,22,900	74%
47.	Morar	41,12,061	9,14,365	3,05,900	29%
48.	Nainital	3,51,211	3,51,211	NIL	0%
49.	Nasirabad	11,74,450	29,87,866	9,91,300	53%



1	2	3	4	5	6
50.	Pachmarhi	5,89,649	12,22,664	4,49,000	76%
51.	Poona	1,59,75,300	1,44,7830	NIL	0%
52.	Ramgarh	13,80,910	25,44,987	7,02,000	51%
53.	Ranikhet	30,31,186	30,31,486	NIL	0%
54.	Roorkee	10,29,034	13,79,497	2,30,100	22%
55.	Saugar	40,26,111	40,26,111	NIL	0%
56.	St. Thomas Mt.	27,10,664	30,49,138	NIL	0%
57.	Secunderabad	63,85,216	1,71,18,350	28,96,900	45%
58.	Shahjahanpur	7,59,600	12,14,236	3,44,800	45%
59.	Shillong	7,42,792	19,38,000	4,07,300	55%
60.	Subathu	2,19,002	6,46,843	3,05,000	139%
61.	Varanasi	6,50,200	8,89,860	2,61,000	40%
62.	Wellington	11,39,820	25,53,190	9,00,000	79%

## 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	1.22	The Committee note that the Ministry of Food and Civil Supplies gives grants-in-aid directly to various Institutes of Hotel Management, Catering Technology and Applied Nutrition and Food Craft Institutes for imparting training and preservation of food articles. The Committee also note that Ministry lays on the Table separate Annual Reports and audited accounts in respect of each such Institute as these Institutes are under the administrative control of the Ministry. The suggestion of that Ministry that the practice of submission of separate report for each Institute may be dispensed with as these are training Institutions with identical activities and that the desired objective could be achieved by incorporation of necessary material in the Annual Report of the Ministry of Food and Civil Supplies, is not acceptable to the Committee. The Committee are of the view that the present practice of laying of separate report of each Institute should continue because the report will be handy and will give a complete picture of the working and activities of the individual Institutes at one place.
2	1.23	The Committee also note that in addition to the above Institutes, the Ministry of Food and Civil Supplies also gives some financial assistance for

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schemes on modernisation of rice milling and utilisation of bye-products like bran, husk etc., undertaken by various Institutes/Centres for the research, development, training and extension works in the field of rice processing. The Committee find from the information given by the Ministry that the grants-in-aid given by the Ministry to these Institutes/Centres is very meagre in comparison to their total budget as they get grants-in-aid from other sources like the University Grants Commission, Departments of the Government of India, State Governments, etc. They are also not under the administrative control of the Ministry of Food and Civil Supplies.

- 3      1.24      In view of the fact that these Institutes/Centres are neither fully funded by that Ministry nor are they under their administrative control, the Committee are inclined to accept the suggestion of that Ministry that laying of the Annual Reports and audited accounts of these Institutes/Centres may not be insisted upon.
- 4      1.25      The Committee, however, recommend that the Ministry of Food and Civil Supplies should, in future include in their own Annual Report a chapter giving the amount of grant-in-aid given to each such Institute/Centre during the year, the purpose for which it was given, the activities pursued by the Institute/Centre and whether the amount was gainfully utilized so that the principle of accountability to Parliament is complied with.
- 5      2.10      The Committee note that the Ministry of Labour grants loans or subsidy or grants-in-aid, out of the Iron Ore Mines and Manganese Ore Mines Labour Welfare Fund, to the owners of the Iron ore mines and manganese ore mines or a local authority in aid of any scheme approved by the Central
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Government for any purpose connected with the welfare of persons employed in iron ore mines and manganese ore mines. The Committee also note that the managements of these privately owned mines are not under the administrative control of the Ministry of Labour and are, therefore, not under any obligation to send their Annual/Audit Reports to that Ministry for laying before Parliament. Taking these factors into consideration and in view of the fact that the number of such mine managements as receive financial assistance out of the Iron Ore Mines and Manganese Ore Mines Labour Welfare Fund in aid of the welfare schemes for workers is very large, the Committee do not insist on the requirement of laying of the Annual/Audit Reports of these mine managements before the two Houses of Parliament. The Committee, however, desire the Ministry of Labour to reflect in a suitable manner in the Annual Report of that Ministry the amount of loans, subsidy or grants-in-aid given to the mine managements under the various welfare schemes covered under the above-mentioned Fund so that Parliament are kept informed about such grants.

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3.13

The Committee note that under the provisions of Section 35 (2) of the Food Corporations Act, 1964, the Central Government are required to lay before both Houses of Parliament the Annual Report, Audit Report and the comments of the Comptroller and Auditor General of India thereon or supplement thereto of the Food Corporation of India.

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3.14

The Committee also note that the Annual Reports containing the Audit Reports and comments of the Comptroller and Auditor General of India thereon of the Food Corporation of India for the years 1978-79, 1979-80 and 1980-81 were laid on the Table of Lok Sabha after a delay of 14 months, 8

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		<p>months and 7½ months respectively, in terms of the recommendation of the Committee on Papers laid on the Table made in paragraph 4.16 of their Second Report (Fifth Lok Sabha). The Committee feel concerned to note that the Annual Report of the Corporation for the year 1981-82 which ought to have been laid by 31-12-1981 has not so far been laid. The Committee hope that the Annual Report for 1980-82 would be laid on the Table without any further delay.</p>
8	3.15	<p>The Committee note that the Food Corporation of India is not adhering to time limit of 3 months laid down by the Committee in their above-mentioned recommendation for finalisation of annual accounts. From the information given in the delay statements laid on the Table of Lok Sabha on 9-8-1982 and 28-2-1983 the Committee find that the Corporation takes about 9 months after the close of the year in finalising their accounts, as accounts for the years 1980-81 and 1981-82 were finalised in the month of December instead of June. According to the information furnished by the Ministry, the Committee also find that even after meetings held with the Director of Audit to devise ways and means for minimising the time for finalisation of Audited Accounts, the Corporation takes 6 to 7 months, after the close of the accounting year, in finalising their accounts. The Committee are of the opinion that the Corporation follows its own time schedule, then their future Annual Reports would never be laid on the Table within the time limit stipulated by the Committee, i.e. within 9 months of the close of the accounting year.</p>
9	3.16	<p>It is regrettable that despite being emphasised from time to time by the Ministry of Food and Civil Supplies on the Corporation the need for finalisation of the Annual Report and its laying before</p>

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Parliament by the due date, the position has not at all improved as none of the above-mentioned Annual Reports of the Corporation has been laid on the Table in time. The Committee, therefore, desire the Ministry of Food and Civil Supplies to issue suitable instructions to the Food Corporation of India to chalk out a time bond programme, in consultation with the Audit, for finalisation of their Report and Annual accounts in accordance with the guidelines laid down by the Committee in their aforementioned recommendation.

- 10      3.17      The Committee hope that the Annual Report together with the Audit Report and comments of the C & A.G. thereon of the Food Corporation of India for the year 1982-83 would be laid on the Table in time and in future the time limit as laid down by the Committee would be strictly adhered to.
- 11      4.10      The Committee note that the Audited Accounts of the Post-Graduate Institute of Medical Education and Research, Chandigarh for the years 1979-80, 1980-81 and 1981-82 were laid on the Table of Lok Sabha after a delay of 14 months, 7 months and again 7 months, respectively. The Committee regret to note that despite their oft-repeated recommendation, contained in paragraph 3.5 of the first Report (Fifth Lok Sabha), that the Annual Reports and Audited Accounts of the autonomous organisations for a particular year should normally be laid on the Table of the House together, there has never been an occasion when the Annual Report and Audited Accounts of this Institute for a year had been so laid. It is needless to point out that laying of Annual Report without the Audited Accounts is meaningless because the Members of Parliament do not get a complete picture of the
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activities undertaken and achievements made, by the organisation with the funds provided by the Government during a year. In order to ensure laying of the Annual Reports and Audited Accounts of the Institute together in time, the Committee recommend that a time bound programme for completion of accounts and the Report should be chalked out and its strict observance watched in future so that both the Annual Report and audited accounts are laid on the Table of House together within 9 months of the close of the accounting year.

- 12      4.11      The Committee note that the Ministry of Health and Family welfare did not lay their own 'Review' alongwith the Annual Reports of the Post-Graduate of Medical Education and Research, Chandigarh for the years 1979-80 and 1980-81. However, on their attention being drawn to their lapse the Ministry of Health and Family Welfare laid on the Table the requisite 'Review' alongwith the Annual Report of the Institute for the year 1981-82. The Committee trust that the Ministry will be more vigilant in future in this regard and will invariably lay their 'Review' alongwith the Annual Reports and Audited Accounts of the Institute.
- 13      4.12      From the statements of reasons for delay laid alongwith the Audited Accounts of the Post-Graduate Institute of Medical Education and Research, Chandigarh for the years 1979-80, 1980-81 and 1981-82, the Committee find that these statements lack information required for identifying the stages where the delay had actually occurred. The Committee are constrained to observed that the Ministry have treated the requirement of laying of statement of reasons for delay as a mere formality. The Committee take a serious note of this attitude.
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14	4.13	<p>The Committee, therefore, recommend that the statement of reasons for delay should invariably indicate, in chronological order, the dates of finalisation of Report and accounts, their submission to audit, receipt of draft audit report, replies given to audit queries, if any, receipt of final audit report, translation and printing of Annual Report and Accounts, adoption of the Annual Report and Accounts by the General Body of the Institute, furnishing of copies of the Report and Accounts to the Ministry for laying on the Table of the House, etc., so that the House may identify the stage and extent of delay and suggest remedial measures where required.</p>
15	5.8	<p>The Committee note that the Annual Reports and Audited Accounts of the Mahatma Gandhi Institute of Medical Sciences, Sewagram, Wardha for the years 1978-79, 1979-80 and 1980-81 were laid on the Table of Lok Sabha after a delay of 26 months, 14 months and 6½ months, respectively.</p>
16	5.9	<p>The Committee, however, note that the Annual Report and Accounts of the Institute for the years earlier than 1978-79 were not laid on the Table of the House. It was only on 29 September, 1980 that the Ministry of Health and Family Welfare took a decision on the basis of the advice given by the Ministry of Finance to lay the Annual Report and Audited Accounts of the Institute from the year 1978-79 onwards. Even if the delay is calculated from the date of decision of the Ministry, the delay in laying the Annual Report and Audited Accounts for the year 1978-79 comes to 17 months.</p>
17	5.10	<p>From the information supplied by the Ministry of Health and Family Welfare the Committee find that although the Audited Accounts of the Institute for the year 1978-79 were made available to the</p>

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Ministry on 21 October, 1980 yet the Annual Report for that year was furnished to the Ministry on 22 June, 1981 alongwith the Annual Report and Audited Accounts for the subsequent year 1979-80. The Committee feel that the Ministry did not take the necessary steps expected of them to see that the delay which had already occurred in respect of the Annual Report and Accounts for 1978-79 should not increase any further. Had the Ministry of Health and Family Welfare impressed upon Institute the urgent need of laying of the Annual Reports and Accounts of the Institute, the Annual Report and Audited accounts not only for the year 1978-79 but also for the year 1979-80 would have been laid on the Table earlier.

- 18      5.11    The Committee note that the time taken for translation of the Annual Reports and Audited Accounts for the years 1978-79 and 1979-80 also contributed to the delay in laying them on the Table of the House. Since laying of both the Hindi and English versions of documents on the Table of the House is a statutory obligation, permanent arrangements ought to have been made to ensure expeditious translation of the Annual Report and Audited Accounts of the Institute so that no delay was caused on that account. The Committee hope that in order to avoid unnecessary delay on that account in future, the Mahatma Gandhi Institute of Medical Sciences would make some permanent arrangement for translation of the Annual Report and Audited Accounts in Hindi.
- 19      5.12    The Committee are concerned to note that despite their recommendations made in paragraphs 3.6 and 3.8 of their Second Report (Sixth Lok Sabha), the Ministry of Health and Family Welfare did not lay their own 'Review' alongwith any of the Annual
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Reports and Audited Accounts for the years 1978-79, 1979-80 and 1980-81. The Committee take a serious note of this lapse on the part of the Ministry. The Committee are constrained to observe that their recommendations have not been taken seriously by the Ministry. The Committee hope that the Ministry of Health and Family Welfare would be very careful in future and while laying the Annual Reports and Audited Accounts of the Institute, would invariably lay their own assessment of the working of the Institute in the form of 'Review' as contemplated in the said recommendations.

- 20      5.13 The Committee note that the Annual Reports and Audited Accounts of the Institute for the year 1981-82 which should have been laid on the Table of the House by 31 December, 1982, have not so far been laid. The Ministry of Health and Family Welfare have not even laid on the Table of the House any statement explaining the reasons why the said Annual Report and Accounts could not be laid on the Table of the House within the stipulated period as per recommendation contained in paragraph 3.5 of their First Report (Fifth Lok Sabha). This leads the Committee, to conclude that their recommendations have not received the respect that they deserved. The Committee, therefore, need hardly stress that their above recommendations should be strictly followed in future.
- 21      5.14 On examination of the statements of reasons for delay laid alongwith the Annual Report and Audited Accounts for the years 1978-79, 1979-80 and 1980-81, the Committee find that adequate details have not been spelt out to enable the Committee to pin point the stage where the delay had actually occurred. The Committee, therefore,
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recommend that the statement of reasons for delay should invariably indicate, in chronological order, the dates of finalisation of Report and Accounts, their submission to audit, receipt of draft audit report, replies given on audit, queries, receipt of final audit report, translation and printing of Annual Report and Accounts, adoption of the Annual Report and Accounts by the General Body, furnishing of copies of the Report and Accounts to the Ministry for laying on the Table of the House, etc., So that the House may identify the stage and extent of delay and suggest remedial measures where required.

- 22      6.9    The Committee are distressed to note that laying on the Table of Lok Sabha, the Annual Reports and Audited Accounts of the Central Cottage Industries Corporation of India Limited, New Delhi for the years 1978-79 and 1979-80 was delayed by as many as 20½ months and 28 months, respectively. It is regrettable that the time gap between laying of the Annual Reports of Corporation for the years 1978-79 and 1979-80 is of about 17 months. The Committee apprehend that if the present pace of delay persists, the Annual Reports and Audited Accounts of the Corporation would never be laid on the Table of the House in time, in future.
- 23      6.10    It is disquieting to note that the Annual Reports and Audited Accounts of the Central Cottage Industries Corporation of India Limited, New Delhi for the years 1980-81 and 1981-82 which should have been laid on the Table by 31 December 1981 and 31 December, 1982, respectively, have not so far been laid. The Committee feel that some special efforts would have to be made by the Corporation and the Ministry of Commerce to liquidate the old arrears of Reports and accounts. Unless the old arrears are cleared, future reports
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are bound to be delayed. The Committee trust that the Annual Reports, audited accounts and Audit Reports pertaining to the years 1980-81 and 1981-82 would be laid without any further delay. As regards the future Annual Reports and Accounts of the Corporation, the Committee recommend that the Ministry, in consultation with the Corporation and the Audit Authorities should lay down some time schedule for completing all formalities involved in the finalisation of the Annual Reports and Accounts of the Corporation so that these are laid on the Table of the House within nine months of close of the accounting year as already recommended by the Committee in para 4.16 of their Second Report (Fifth Lok Sabha).

- 24      6.11 In paragraph 4.16 of their Second Report (Fifth Lok Sabha), which was presented to Lok Sabha as early as 12 May, 1976, the Committee had recommended that where it is not possible for the Government to lay the Report of any Company within a period of 9 months of close of the accounting year, they should lay on the Table a statement explaining the reasons for not laying the Report, within 30 days from the expiry of that period and if the House is not in Session at that time, the statement should be laid on the Table within seven days of re-assembly of the House. The Committee note that no such statement was laid on the Table of the House by the Ministry of Commerce in respect of any of the Annual Reports and Audited Accounts of the Corporation for the year 1978-79 to 1981-82. This shows how apathetic attitude of the Ministry of Commerce has been towards the recommendations of the Committee. At no stage the Ministry of Commerce seen to have acted with caution and care in the matter of laying of Annual Reports and Audited Accounts of the Central Cottage Industries Corporation of India Limited.
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New Delhi. The Committee take a serious note of the non-compliance of their recommendation. The Committee desire the Ministry of Commerce to fix responsibility for non-compliance of their recommendation. The Committee need hardly emphasise that the Ministry of Commerce should be more careful in future and the recommendations of the Committee should be implemented in letter and spirit.

- 25      6.12 From the information supplied by the Ministry of Commerce, the Committee find that the Statutory Auditors took as long as one year in auditing the accounts of the Corporation for the year 1978-79. While going through the Audited Accounts of the Corporation for the years 1978-79 and 1979-80, the Committee have noticed that a large number of deficiencies have been pointed out by the Auditors in the accounts. This clearly shows that the accounts of the Corporation are not being maintained properly. The Committee feel that if the accounts had been maintained properly, the auditors would not have taken such a long time in auditing the accounts of the Corporation. It is distressing that a commercial organisation like the Central Cottage Industries Corporation of India, New Delhi should have failed in maintaining its accounts properly. The Committee therefore, impress upon the Ministry of Commerce the need to streamline the existing accounting procedure of the Corporation so that the accounts of the Corporation are maintained properly in future and no delay is caused at the auditing stage of the accounts.
- 26      7.15 The Committee note that there are 62 Cantonments spread all over the country and majority of the Cantonment Boards receive ordinary grants-in-aid
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from the Government. The Committee also note that these Cantonment Boards are autonomous local bodies constituted and administered under the Cantonment Act, 1924.

- 27      7.16 From the analysis of the amounts of ordinary grants-in-aid given by the Government to the various Cantonment Boards during the year 1980-81, the Committee find that out of 62 Cantonment Boards, only 9 Cantonment Boards received more than Rs. 10 lakhs each, 15 Boards received between Rs. 5 lakhs and Rs. 10 lakhs each, 23 Boards received less than Rs. 5 lakhs and 15 Boards did not receive any grant-in-aid. The Committee further find that the Government advanced Rs. 3,56,63,800 as ordinary grants-in-aid to the Cantonment Boards during the year 1980-81. The Committee feel that since amounts of such a huge magnitude are being given by the Government as grants-in-aid to the Cantonment Boards, Parliament ought to be informed about the proper utilization of these grants.
- 28      7.17 The suggestion given by the representative of the Ministry of Defence during his evidence before the Committee that Reports of only those Cantonment Boards which receive Rs. 10 lakhs and above as grant-in-aid from Government should be laid on the Table is not acceptable to the Committee because only 9 Cantonment Boards out of 62 which received Rs. 10 lakhs and above as grant-in-aid during the year 1980-81 would be covered and the Parliament would not come to know about the performance of the rest of the 53 Cantonment Boards which received major share of the grants-in-aid during that year. Taking all factors into consideration, the Committee have come to the conclusion that the Annual Administration Reports and Audited Reports in respect of all Cantonment
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Boards should be laid together before Parliament within 9 months of the close of the accounting year and the guidelines laid down by the Committee in their recommendation made in para 3.5 of their First Report (Fifth Lok Sabha) in regard to laying of annual Reports, audited accounts and Audit Reports of autonomous bodies should be followed.

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7.18

The Committee note that the Cantonment Boards prepare their Annual Administration Reports and submit them to the Ministry of Defence but these are not laid before Parliament. The Committee are of the view that since the Annual Administration Reports of all Cantonment Boards are in any case prepared and furnished to the Ministry of Defence there should be no difficulty in laying them on the Table. It would be more useful, if all the Reports are consolidated together and laid before Parliament in a consolidated form.

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