

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

**(SEVENTH LOK SABHA)**

**FIFTEENTH REPORT**

*(Presented on 14 December, 1983)*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*December, 1983 | Agrahayana, 1905 (Saka)*

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C O R R I G E N D A

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FIFTEENTH REPORT OF COMMITTEE ON PAPERS  
LAID ON THE TABLE (1983-84)

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
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## CONTENTS

PERSONNEL OF THE COMMITTEE ON PAPERS LAID ON THE TABLE (1983-84)	PAGE
INTRODUCTION	(v)
CHAPTER I — Delay in laying Annual Reports and Audit Reports of the Council of Scientific and Industrial Research, New Delhi	1
CHAPTER II — Delay in laying the Third Annual Report of the Minorities Commission for the year ended 31 December, 1980	12
CHAPTER III — Delay in laying Annual Reports and Audited Accounts of the Gandhi Darshan Samiti for the years 1980-81 and 1981-82	15
CHAPTER IV — Delay in laying the Annual Reports and Audited Accounts of the National Buildings Construction Corporation Limited for the years 1980-81 and 1981-82	19
CHAPTER V — Delay in laying Annual Reports and Audited Accounts of the Bridge and Roof Company (India) Limited, Calcutta for the years 1979-80 and 1980-81	23
CHAPTER VI — Delay in laying the Annual Reports, Audited Accounts and Audit Reports thereon of the Indian Institute of Management, Calcutta for the years 1979-80 and 1980-81	27
CHAPTER VII — Delay in laying Annual Reports of the Andaman and Nicobar Islands Forest and Plantation Development Corporation Limited Port Blair for the years 1977-78 to 1981-82	31

## APPENDICES

	PAGE
I. Resolution dated 12 January, 1978 of Ministry of Home Affairs, Government of India, New Delhi. . . . .	42
II. Statement giving reasons why the Annual Report together with the Audited Accounts and Audit Report for the year 1979-80 of the Andaman and Nicobar Islands Forest and Plantation Development Corporation, Port Blair could not be laid on the Table of the House within the stipulated period. . . . .	44
III. Statement giving reasons why the Annual Report together with the Audited Accounts and Audit Report for the year 1980-81 of the Andaman and Nicobar Islands Forest and Plantation Development Corporation, Port Blair could not be laid on the Table of the House with in the stipulated period. . . . .	47
IV. Statement giving reasons why the Annual Report together with the Audited Accounts and Audit Report for the year 1981-82 of the Andaman and Nicobar Islands Forest and Plantation Development Corporation, Port Blair could not be laid on the Table of the House within the stipulated period . . . . .	49
V. Summary of recommendations/observations contained in the Report. . . . .	52

**PERSONNEL OF THE COMMITTEE ON PAPERS  
LAID ON THE TABLE**

( 1983-84 )

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Shri H.G. Paranjpe — *Joint Secretary*  
Shri S.D. Kaura — *Chief Legislative Committee Officer*  
Shri T.E. Jagannathan — *Senior Legislative Committee Officer.*

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\* Nominated *w.e.f.* 3-9-1983

\*\* Nominated *w.e.f.* 21-6-1983.

## INTRODUCTION

1. 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 Fifteenth Report.

2. On examination of certain papers laid on the Table of Lok Sabha during the Seventh Session (Sixth Lok Sabha) and Second and Fourth to Twelfth Sessions (Seventh Lok Sabha), the Committee have come to certain conclusions in regard to delay in laying (i) Annual Reports and Audit Reports of the Council of Scientific and Industrial Research, New Delhi ; (ii) Third Annual Report of the Minorities Commission ; (iii) Annual Reports and Audited Accounts of the Gandhi Darshan Samiti ; (iv) Annual Reports and Audited Accounts of the National Buildings Construction Corporation Limited ; (v) Annual Reports and Audited Accounts of the Bridge and Roof Company (India) Limited, Calcutta ; (vi) Annual Reports, Audited Accounts and Audit Reports thereon of the Indian Institute of Management, Calcutta ; and (vi) Annual Reports of the Andaman and Nicobar Islands Forest and Plantation Development Corporation Limited, Port Blair. The conclusions of the Committee are embodied in the Report.

3. On 5 January, 1982, the Committee took evidence of the representatives of the Ministry of Agriculture on the question of delay in laying Annual Reports of the Andaman and Nicobar Islands Forest and Plantation Development Corporation Limited, Port Blair. On 22 September, 1982, the Committee took evidence of the representatives of the Council of Scientific and Industrial Research New Delhi on the question of delay in laying the Annual Reports and Audit Reports of that Council.

4. The Committee wish to express their thanks to the officers of the Ministry of Agriculture and the Council of Scientific and Industrial Research for furnishing information desired by the Committee.

5. The Committee considered and adopted this Report at their sitting held on 12 December 1983.

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

**KRISHNA SAHL,**

*Chairman,*

*Committee on Papers laid  
on the Table.*

**NEW DELHI ;  
13 December, 1983**

***22 Agrahayana, 1905 (Saka)***

## CHAPTER I

### DELAY IN LAYING ANNUAL REPORTS AND AUDIT REPORTS OF THE COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH, NEW DELHI

The Audit Report on the accounts of the Council of Scientific and Industrial Research for the year 1976-77\* and the Annual Report for 1977-78 were laid on the Table of Lok Sabha on 21.3.1979, without any statement explaining the reasons for delay in laying these Reports.

1.2. On reference made about the reasons for delay in laying the Audit Report for 1976-77, the Council of Scientific and Industrial Research informed on 18 January, 1980, as Under :

“The draft audit report on the accounts of CSIR for the year 1976-77 was received in CSIR on 19.11.1977. Necessary comments/replies to the draft audit report were forwarded to the Director of Audit, Central Revenues on 20.12.1977 and 7.1.1978. Subsequently, a modified draft audit report was received in CSIR on 11.1.1978. Necessary replies there to were forwarded to the Director of Audit, Central Revenues, New Delhi. The first set of replies was sent to D.A.C.R. on 14.2.1978 and 27.3.1978. The final audit report was received on 31.3.1978.

Under Rule 80 of the Rules and Regulations of the CSIR, Annual Report on the proceedings of Society and Certified Annual Accounts along with Audit Report thereon are required to be placed before the Society at its Annual General Meeting for its consideration and approval. The Certified Annual Accounts of the CSIR for the year 1976-77 along with the Audit Report which were received from D.A.C.R. on 31.3.1978 were placed before the Governing Body in its 75th Meeting held on 19.6.1978 for consideration and approval. The

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\* Annual Report of CSIR for the year 1976-77 was laid on the Table of Lok Sabha on 5 April, 1978.

## CHAPTER I

### DELAY IN LAYING ANNUAL REPORTS AND AUDIT REPORTS OF THE COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH, NEW DELHI

The Audit Report on the accounts of the Council of Scientific and Industrial Research for the year 1976-77\* and the Annual Report for 1977-78 were laid on the Table of Lok Sabha on 21.3.1979, without any statement explaining the reasons for delay in laying these Reports.

1.2. On reference made about the reasons for delay in laying the Audit Report for 1976-77, the Council of Scientific and Industrial Research informed on 18 January, 1980, as Under :

“The draft audit report on the accounts of CSIR for the year 1976-77 was received in CSIR on 19.11.1977. Necessary comments/replies to the draft audit report were forwarded to the Director of Audit, Central Revenues on 20.12.1977 and 7.1.1978. Subsequently, a modified draft audit report was received in CSIR on 11.1.1978. Necessary replies there to were forwarded to the Director of Audit, Central Revenues, New Delhi. The first set of replies was sent to D.A.C.R. on 14.2.1978 and 27.3.1978. The final audit report was received on 31.3.1978.

Under Rule 80 of the Rules and Regulations of the CSIR, Annual Report on the proceedings of Society and Certified Annual Accounts along with Audit Report thereon are required to be placed before the Society at its Annual General Meeting for its consideration and approval. The Certified Annual Accounts of the CSIR for the year 1976-77 along with the Audit Report which were received from D.A.C.R. on 31.3.1978 were placed before the Governing Body in its 75th Meeting held on 19.6.1978 for consideration and approval. The

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\* Annual Report of CSIR for the year 1976-77 was laid on the Table of Lok Sabha on 5 April, 1978.



same were adopted by the Society of the CSIR at its meeting held on 26.12.1978. The Prime Minister is the President of the Society of the C. S. I. R.”

1.3. On 19 March, 1980, the Audit Report on the accounts of the Council of Scientific and Industrial Research for 1976-77 was relaid on the Table of Lok Sabha alongwith a statement showing reasons for delay. The reasons were explained, *inter alia*, as under :

×                      ×                      ×                      ×

The Annual Accounts of the CSIR for the year 1976-77 and the partial Audit Report thereon were placed on the Table of the House on 21.3.79. The Director of Audit, Central Revenues, intimated that a complete Audit Report is required to be placed before the Parliament. Accordingly the certified Annual Accounts of the CSIR for the year 1976-77 and the Audit Report thereon is relaid on the Table of the House.”

1.4. Rules 79 (iv) and 80 of the Rules and Regulations of the Council of Scientific and Industrial Research provide as under :

**Rule 79 (iv)**

“The accounts of the Society as certified by the Comptroller & Auditor-General together with the audit report thereon shall be forwarded annually to the Central Government and the Government, shall cause the same to be laid before the House of Parliament.”

**Rule 80**

“An Annual Report of the Proceedings of the Society and of all work undertaken during the year shall be prepared by the Governing Body for the information of the Government of India and of the members of the Society. A draft of the Annual Report and the yearly accounts of the Society shall be placed before the Society at the Annual General Meeting for its consideration and approval. Copies of the Annual Report and yearly accounts as finally approved by the Society shall be supplied to the members of the society.”

1.5 When enquired about the reasons for placing the certified accounts and Audit Report for 1976-77 before the Governing Body after about 3 months of their receipt from the Director of Audit, Central Revenues (from 31.3.1978 to 19.6.1978) and after more than 6 months *i. e.* on 26.12.1978 before the Society for adoption, the Council of Scientific and Industrial Research informed :

“According to Rules and Regulations of the CSIR the Governing Body shall meet as often as may be considered necessary but not less than four times in a year. The Audit Report for 1976-77 was placed be-

fore the next immediate meeting of the Governing Body after the receipt of Audit Report for 1976-77 from DACR (on 31.3.1978). The meetings of the Society are held depending upon the convenience of the President, CSIR (Prime Minister). The earlier date when the certified accounts for 1976-77 and the Audit Report thereon could be placed before the Society was on 26.12.1978.”

1.6. Rules 19 (i) and 22 of the Rules and Regulations of the Council of Scientific and Industrial Research provide as under :

“19. (i) An Annual General Meeting of the Society shall be held at such date, time and place as may be determined by the President.

× × × ×

22. If the President is not present at the meeting of the Society, the Vice-President shall be Chairman of the meeting. If the President and Vice-President are both not present, any member of the Governing Body appointed by the President in writing shall be Chairman of the meeting, but if there shall be no member appointed as aforesaid present or willing to take the Chair, the members of the Society shall choose one of the members present to be the Chairman of the meeting.”

1.7. The Audit Reports of the Council of Scientific and Industrial Research for the years 1977-78 and 1978-79 were laid on the Table of Lok Sabha on 29.4.1981 and for 1979-80 on 3.3.1982 alongwith the delay statements in each case.

The delay statements in respect of the Audit Reports for 1977-78, 1978-79 and 1979-80 read as under :

#### 1977-78

“The draft Audit Report on the accounts of CSIR for the year 1977-78 was received in CSIR on 6.2.1979. Necessary comments/replies to the draft Audit Report were sent to the Director of Audit, Central Revenues on 23.4.1979 and 30.5.1979. The final Audit Report was received on 7th August, 1979.

The certified Annual Accounts of the CSIR for the year 1977-78 along with the Audit Report thereon were placed before the Governing Body of the CSIR at its meeting held on 20th December, 1979 for its consideration and approval. The same were adopted by the Society of the CSIR at its meeting held on 15th December, 1980. This was the first meeting of the reconstituted Society after the meeting of the Governing Body held on 20.12.1979”.

## **1978-79**

**"The draft Audit Report on the accounts of CSIR for the year 1978-79 was received on 19th January, 1980. Necessary comments/replies to the draft Audit Report were sent to the Director of Audit, Central Revenues, on 22nd February, 1980, 28th February, 1980, 31st March, 1980 and 2nd April 1980. The final Audit Report was received on 3rd April, 1980.**

**The certified Annual Accounts of the CSIR for the year 1978-79 alongwith the Audit Report thereon were placed before the Governing Body of the CSIR at its meeting held on 13th June, 1980 for its consideration and approval. The same were adopted by the Society of the CSIR at its meeting held on 15th December, 1980."**

## **1979-80**

**"The draft Audit Report on the accounts of CSIR for the year 1979-80 was received on 9.12.1980. Necessary comments/replies to the draft Audit Report were sent to Director of Audit, Central Revenues, New Delhi on 3rd and 13th January, 1981. The final Audit Report was received on 28.2.1981. The certified Annual Accounts of the CSIR for the year 1979-80 alongwith the Audit Report thereon were placed before the Governing Body of the CSIR at its next meeting held on 24th April, 1981 for its consideration and approval. The next meeting of the Society was held only on 4.12.1981 in which this was adopted."**

**1.8. The Annual Report of the Council for the year 1980-81 was laid on the Table of Lok Sabha on 14.7.1982 alongwith a statement explaining the reasons for delay which reads as follows :**

**"The Annual Report of CSIR for 1980-81 was placed before the Governing Body of the CSIR at its meeting held on 27.11.1981 for its consideration and approval. The same was adopted by the Society of the CSIR at its meeting held on 4.12.1981. Thereafter the Annual Report was printed both in English and Hindi and is laid on the Table of the House."**

**1.9. At their sitting held on 22 September, 1982, the Committee on Papers laid on the Table took oral evidence of the representatives of the Council of Scientific and Industrial Research on the question of delay in laying the Annual Reports and Audited Accounts of the Council.**

**1.10. During evidence, on an enquiry about the time generally taken by the Council of Scientific and Industrial Research in compiling the accounts and**

making them available to Audit for auditing, the Director-General, C. S. I. R. informed the Committee that CSIR had 38 Laboratories and there were 90 Field Stations under those Laboratories. The Field Stations were required to give their accounts to the Laboratories. The Laboratories sent their accounts to the CSIR, Headquarters for compiling. Generally, CSIR took 5 months for compiling the final accounts and making them available to Audit. The Headquarter's accounts for 1981-82 were completed by 30 June and made available to Audit. According to the date agreed to between the Accountant General, Central Revenues and the CSIR, the consolidated accounts of the Laboratories were ready by 31 July, *i. e.* within 4 months of the close of the financial year. The Director-General informed the Committee that so far as the Annual Reports of the Council were concerned there was no inordinate delay. The Governing Body of the Council met 5 to 6 times a year to go through the accounts and the General Body Meeting of the Society was generally held in December.

1.11. Explaining the procedure for compilation of accounts, their auditing, approval by the Governing Body and the Society and their laying before Parliament, the witness stated :

"In the first circular it has been indicated that the Committee would like 3 months for compiling the accounts and 6 months for sending the report for audit and printing. But in actual fact the number of steps are many more. In our discussions with AGCR we have indicated about these facts and that we would get the accounts ready by 31st of August. In any case even when we were discussing this, in correspondence they have indicated that they will take 5 months from the time the accounts are submitted to them till the time they gave their final report. There are several steps which are involved in it. It is not just that it goes to Audit and it comes back. Audit takes 2 months. They prepare the draft. Then it goes to CSIR. CSIR sends its reply. They send us final draft. It has to go to the Governing Body and then it goes to the Society. This year for instance although we had worked out this way that there will be tight schedule and by 31st December we shall try to lay it before Parliament, what happened has been this. As agreed, we have given them on our part. The entire H. Q. accounts by 30th June. Audit for their own reasons, could not start their work till 2nd of September. Now, if you go by the estimates that they have, it would mean, it will take 2 months for audit, That mean it will take us to the end of October. Their draft will come to us by end of November. Reply of CSIR should go to them by the end of December. Final report will be sent to us by January 3rd week. This has to go to the Governing Body and the Society. The Society has the Prime Minister as the President. We have to see about her convenience regarding fixing the date etc. Once the Society agrees, it would be printed in two

languages. If this august body agrees, we hope to get these things through the Society by February and lay this before the House by March."

1.12. When asked (since the Prime Minister was the Chairman of the Society) whether there was not all the more reason to exercise more caution to adhere to the time schedule laid down by the Committee, the representative of the Council stated that CSIR was not located at one place. The accounts were also not maintained by one party and for one purpose. The main reason was that accounts of all the 38 Laboratories and 90 field stations under them had to be brought at one place and compiled. The earliest date given to the Laboratories was 31st May which was brought down to 15th May and finally to 10th May and this was successfully being observed by the CSIR. But the A. G. C. R. informed that they would take about 5 months in auditing the accounts. According to the time schedule drawn up by the CSIR, they expected to place the accounts on the Table of the House, before 31st December. The auditing of the accounts for the year 1981-82 was required to be started by A. G. C. R. on 1st July but it actually commenced on 2nd September, 1982. The witness further stated as under :

"I have mentioned about the communication received from A. G. C. R. in 1979; and the time estimates given by them. It is an authoritative communication. Secondly, in this case it is consolidation of 129 separate accounts preparation of accounts and audit. It is not one link. Sometimes the laboratory has to refer it back to its field stations.....In view of this, I thought, February is a more realistic target. It has a much higher probability of success."

1.13. Explaining the position of the accounts for the year 1981-82, the Internal Financial Adviser, C.S.I.R stated :

"I would submit that the CSIR has been making all possible efforts in this regard especially after the receipt of the Committee's Report till last year we were not able to stick to the time limit and making them available to the audit. This year we have been able to get the accounts of the Laboratories in time and Headquarters accounts were ready on 30 June, 1982. With the accounts of the Headquarters ready, we wrote to the Audit that the Consolidated accounts of CSIR as a would be ready by 31-7-1982 and asked them to depute the audit party. The audit party which was expected by that time could not be sent but came on 2nd September, 1982 and the audit cannot be completed within the fixed time. All the things were ready, but the Audit was slightly delayed. The Audit would normally process the accounts within the specified time. Now, we are thinking of a machinery and to have a further dialogue with the audit to eliminate

this kind of delays either on the part of the audit or on the part of the CSIR, by which the whole process could be reduced, We will try to bring down the delay period to the minimum.”

1.14. The Director-General, C.S.I.R submitted that efforts would be made to hold the meeting of the Society in February, 1983 so that every thing could be done within the time schedule.

1.15. On being enquired if no pressure was being put on Audit to keep the time schedule, the witness stated, *inter alia*, as follows :—

“.....the submission of the draft Audit Report by the Director of the Audit to the CSIR was due on 30th September. We have stuck to the first two target dates *i.e.*—30th June and 1st July. CSIR has done its part and they were supposed to give us the Audit Report by 30th September and we were supposed to give replies by 31st October and they will give final Audit Report by 20th November and placing of the Audit Report and the various steps governing the CSIR Society and Parliament was for 31st December. We were making them agree to shorten the schedule and asking them to give us by 30th September. But, there is no way to give us draft report by 30th September. Therefore, we notice that as a result of all this pressure being exerted on A.G.C.R., still it will not give to us by 30th September in order that we take subsequent steps.”

1.16. As regards laying of the audited accounts of the Council before Parliament, the witness submitted :

“Six months’ period was indicated for two steps auditing of accounts printing of the report and sending it to the Government. But in actual practice, there are 6 to 8 steps. Since Parliament is not in session on 31st December, we submit that we may be allowed to lay the documents in February, when Parliament meets next, every year we will ourselves see that the Society meets in January. That will be the time which will neither inconvenience the Members nor will be go across the deadline, which we would like to keep sacrosanct.”

1.17. In reply to a question why the Ministry of Science and Technology took one year to relay the full Audit Report on the accounts of CSIR for 1976-77 on 19.3.1980, after having laid partial audit Report on 21.3.1979, the Director General, C.S.I.R., stated that the whole Report was laid only when the A.G.C.R. pointed out that the whole Report was required to be laid. Admitting the mistake, the witness stated that it happened due to some misunderstanding on the part of the official in C.S.I.R.

1.18. In reply to a question, the witness replied that there was no such rule that the Annual General Meeting of the Society would be held only in December every year. It had been a practice which fitted in well with the requirements of putting the audited statement and the Annual Report before both Houses of Parliament by 31 December. C.S.I.R. proposed to shift the Annual General Meeting to sometime in January because by that time they would be in a position to put everything together for submission.

1.19. The witness also informed the Committee that there was generally a small gap between the dates of holding of Governing Body Meetings and Society's meetings.

1.20. When asked about the position of the annual accounts of the Council for the year 1980-81, the witness stated that the audited accounts were being processed and after Society's approval would be laid before both the Houses of Parliament. As regards Annual General Meeting of the Society, the witness informed the Committee that that would be held either in the end of January or in the beginning of February.

1.21. In reply to a question why the Annual Reports, audited accounts and Audit Report thereon of C.S.I.R. were not laid together before Parliament, the witness stated that the Annual Report got ready in time as it was essentially a matter between C.S.I.R. and its constituent units. He agreed with the Committee's view that all these papers should be laid together before the House to enable the members to correlate them. The witness suggested that where, due to unavoidable reasons, there was some delay with regard to laying of the audited accounts before Parliament the Ministry could adopt the practice of placing only the Annual Report which was the real essence of the work of C.S.I.R. before Parliament, whenever it was ready, and again with the audited accounts, when they were laid. He, however added that :

"Under any circumstances the Audit Report and the Annual Report would be there together. As regards making efforts for seeing the audited accounts coming earlier, we have mentioned certain things. There should be re-scheduling with the laboratories and Audit. Hindi translation is being started concurrently without waiting for the approval of the CSIR society. The only submission which I had put for your consideration was that while they should be together for total consideration but if the annual report becomes available earlier and it has all the data, whether the hon. members would desire that as soon as the CSIR Society has approved this, this may go in advance and also along with the accounts."

1.22. On being stressed the need of laying in future the Annual Report, audited accounts and Audit Report of C.S.I.R. together before Parliament in order to present a complete picture to the House about the performance of the Council and the proper utilization of the grant given to the Council, the witness replied :

**"We agree. We will do accordingly."**

1.23. The Annual Accounts and Audit Report for the year 1980-81 of the Council were laid on the Table of Lok Sabha on 4 November, 1982 alongwith a statement showing reasons for delay. The statement showing reasons for delay in laying the said accounts and audit report, reads as follows :

**"The Draft Audit Report on the accounts of CSIR for the year 1980-81 was received on 21.12.1981. Necessary comments/replies to the draft Audit Report were sent to the Director of Audit, Central Revenues, New Delhi on 8-1-1982. The final Audit Report was received on 27.2.1982.**

**The certified annual accounts of the CSIR for the year 1980-81 alongwith Audit Report thereon were placed before the Governing Body of the CSIR at its next meeting held on 30.4.1982 for its consideration and approval. These were duly approved. As per the rules & Byelaws of CSIR, the accounts and the Audit Report have to be adopted by the CSIR Society in its Annual Meeting. The next meeting of the Society was held only on 3.11.1982 in which this was adopted."**

1.24. The Annual Report, Annual Accounts and Audit Report thereon of the Council of Scientific and Industrial Research for the year 1981-82 were laid on the Table of Lok Sabha on 20 April, 1983 alongwith a statement of reasons for delay. The statement of reasons for delay reads *inter alia* as follows :

**"(i) Reasons for delay in laying Annual Report for the year 1981-82 on the Table of the House.**

**The Annual Report of CSIR for the year 1981-82 was placed before the Governing Body of CSIR at its meeting held on 21.10.1982 for its consideration and approval. The same was adopted by the Society of CSIR at its meeting held on 3.11.1982. The Annual Report could not be placed earlier as the Annual Accounts of the CSIR for the year 1981-82 and Audit Report thereon were approved by the Society of the CSIR on 13.4.1983 and these are required to be laid on the Table of the House alongwith Annual Report.**

**(ii) Reasons for delay in laying the Annual Accounts and Audit Report of the CSIR for the year 1981-82 on the Table of the House.**

**The CSIR Accounts should have been ready for Audit by 31 July, 1982 according to the time table mutually agreed between C. & A.G. and CSIR. This was done in time and Director of Audit, Central Revenues was requested on 22nd**



July, 1982 to arrange for audit. The final Audit Report was received on 2.2.1983.

The certified Annual Accounts of CSIR for the year 1981-82 along with the Audit Report thereon were placed before the Governing Body of the CSIR on 11.2.1983 for its consideration and approval. These were duly approved. As per the Rules and Byelaws of the CSIR, the accounts and Audit Report thereon have to be adopted by CSIR Society in its next meeting. The next meeting of the Society was held only on 13.4.1983 in which these were adopted."

1.25. The following Table shows the position of the Annual Report of the Council of Scientific and Industrial Research for the years from 1978-79 to 1981-82 along with the delay involved in each case :

Year of Report	Date of placing of Annual Report before the Governing Body for consideration and approval	Date of adoption of Report at the meeting of the reconstituted Society	Date of laying	Period of delay
1978-79	20.12.1979	15.12.1980	29.4.1981	16 months
1979-80	4.12.1980	15.12.1980	29.4.1981	4 months
1980-81	27.11.1981	4.12.1981	14.7.1982	6½ months
1981-82	21.10.1982	3.11.1982	20.4.1983	3 3/4 months

1.26. The Committee note that the Annual Report of the Council of Scientific and Industries Research, New Delhi for the years 1976-77, 1977-78, 1978-79, 1979-80, 1980-81 and 1981-82 were laid on the Table of Lok Sabha after a delay of 3 months, 2½ months, 16 months, 4 months, 6½ months and about 3½ months, respectively, and the Annual Accounts and Audit Reports thereon for those years after a delay of 26½ months, 28 months, 16 months, 14 months, 10 months and 3½ months, respectively.

1.27. From the information furnished by the Department of Science and Technology, the Committee find that after receipt of final Audit Reports for the years 1976-77 to 1980-81 the Council took 2 months to 4 months in holding the meeting of its Governing Body and 6 months to one year thereafter in holding the

meeting of the Society to adopt its Audited Accounts. The argument advanced by the Department of Science and Technology that the delay in holding meeting of the Society occurred because the Prime Minister is the President of the Society and the meetings of the Society are held depending upon the convenience of the President, does not appear to be convincing. In this connection, the Committee have noted the following provisions of Rule 22 of the Rules and Regulations of the Council of Scientific and Industrial Research :

“If the president is not present at the meeting of the society, the Vice-President shall be Chairman of the meeting. If the President and Vice-President are both not present, any member of the Governing Body appointed by the President in writing shall be Chairman of the meeting, but if there shall be no member appointed as aforesaid present or willing to take the Chair, the members of the Society shall choose one of the members present to be the Chairman of the meeting.”

The Committee feel that, had the Council been vigilant and had followed the provisions of the above rule, the delay in holding the sittings of the Society could have been minimised to a great extent. The Committee, however, note with satisfaction that the time gap between the dates of meetings of the General Body and the Society has been considerably reduced to 2 months in the case of Audited Accounts of the Council for the year 1981-82 with the result that the delay in laying them has also come down to 3½ months only. The Committee hope that, in future, the Council of Scientific and Industrial Research would be very careful and would ensure that the meetings of both the Governing Body and Society are held soon after receipt of its Audit Reports so that the delay is totally eliminated.

1.28. The Committee further note that the Annual Reports and Audited Accounts of the Council of Scientific and Industrial Research have been laid together on the Table of the House except in the cases of Annual Reports and Audited Accounts for the years 1978-79 and 1981-82. The Committee find that the gap between the dates of laying of Annual Reports and Audited Accounts for the years 1976-77, 1977-78, 1979-80 and 1980-81 was 11½ months, 13 months, 10 months and about 3½ months, respectively. The Committee need hardly point out that the laying of Annual Reports and Audited Accounts on different dates deprives the Members of Parliament from the information being available simultaneously about the achievements made by the organisation with the funds granted to it during a year. The Committee desire the Department of Science and Technology to take necessary remedial steps to ensure that both the Annual Report and Audited Accounts of the Council of Scientific and Industrial Research are laid together on the Table of the House within 9 months of the close of the accounting year.

## CHAPTER II

### DELAY IN LAYING THE THIRD ANNUAL REPORT OF THE MINORITIES COMMISSION FOR THE YEAR ENDED 31 DECEMBER, 1980

2.1. The Third Annual Report of the Minorities Commission for the year ended 31 December, 1980 was laid on the Table of Lok Sabha on 3 August, 1982 alongwith the Memorandum of Action Taken on the Report.

2.2. In paragraph 1.17 of their First Report (Fifth Lok Sabha), presented to Lok Sabha on 8.3.1976, the Committee on Paper laid on the Table has recommended that :

“...autonomous organisations which lay only their Annual Reports should not take unduly long time in laying them after the close of the accounting year. In such cases, the administrative Ministries should ensure that the Annual Reports are invariably laid before Parliament within six months after the close of the accounting year.”

2.3. In terms of the above recommendation of the Committee, the Report of the Minorities Commission for the year ended 30 December, 1980 ought to have been laid on the Table of the House by 30 June, 1981.

2.4. On a reference made, the Ministry of Home Affairs informed on 17 December, 1982 that—

“The Minorities Commission was set up by a Government Resolution dated 12th January, 1978 (Appendix I). According to para 6 of the said Resolution the Minorities Commission has full freedom to devise its own procedures in the discharge of its functions. As soon as the printed copies of the Annual Reports of the Minorities Commission are received, the same are processed in this Ministry and an Action Taken Memorandum is prepared on the various recommendations contained therein. The Minorities Commission submitted its Third Annual Report in June, 1981 for the year ending 31st December, 1980 detailing its activities and the printed copies of the English and Hindi versions were made available on 11th March and 8th July,

1982, respectively. Thereafter, the report was processed in this Ministry in consultation with the various authorities concerned and the same was laid on the Table of the House on 3rd August 1982. However, efforts are made to lay the annual reports together with the action taken memoranda on the Table of the House with utmost expedition."

2.5. As regards laying of the Fourth Annual Report of the Commission for the year ended 31 December, 1981, the Ministry of Home Affairs informed that the Minorities Commission had decided that their future reports would conform to the financial year, i.e. from 1 April to 31 March. The Minorities Commission were reminded to expedite their Fourth Annual Report. As per information furnished by the Minorities Commission to the Ministry of Home Affairs, the draft of the Fourth Annual Report was under the consideration of the commission and the same would be forwarded to the Ministry as soon as finalised.

2.6. The Ministry of Home Affairs further intimated that the recommendation of the Committee on papers laid on the Table made in paragraph 1.17 of their First Report (Fifth Lok Sabha) was being brought to the notice of the Commission by that Ministry.

2.7. The Committee on Papers laid on the Table considered the matter at their sitting held on 7 September, 1983.

2.8. The Committee note that the Third Annual Report of the Minorities Commission pertaining to the year ended 31 December, 1980, which in terms of the recommendation made by the Committee on Papers laid on the Table (Fifth Lok Sabha) in paragraph 1.17 of their first Report should have been laid on the Table of the House by 30 June, 1981, was actually laid on the Table of Lok Sabha on 3 August, 1982. The said Report, thus, involved delay of 13 months which can neither be construed as reasonable nor can it be justified.

2.9. From the information furnished by the Ministry of Home Affairs, the Committee find that their aforementioned recommendation had not been brought to the notice of the Minorities Commission. The Committee do agree with the Ministry of Home Affairs that the Minorities Commission enjoy a considerable degree of autonomy in the discharge of its functions but it cannot be interpreted to mean that the Annual Reports of the Commission could be delayed to any length of time. The Committee need hardly point out that it is obligatory on the part of the Ministry of Home Affairs who are concerned in the matter, to ensure that the reports of organisations for which they are administratively responsible are laid on the Table of the House in time. The Committee have no doubt that had the Ministry of Home Affairs communicated the recommendation of the Committee to the Commission earlier and taken urgent steps to get the Report printed and translated into Hindi, much of delay could surely have been obviated.

2.10. The Committee note that in future the Reports of the Commission

would conform to the financial year, *i. e.* from 1 April to 31 March. The Fourth and Fifth Annual Reports of the Commission for the years ended 31 March, 1982 and 31 March, 1983, respectively, which were required to be laid on the Table by 30 September, 1982 and 30 September, 1983 respectively have not so far been laid. The Committee would urge the Ministry of Home Affairs to impress upon the Minorities Commission the need for timely laying of its Annual Reports on the Table of the House. The Committee hope that necessary steps would be taken to see that the Fourth and Fifth Annual Reports of the Commission are laid on the Table of the House without any further delay.

2.11. The Committee reiterate their recommendation made in paragraph 1.17 of their First Report (Fifth Lok Sabha) and hope that the Ministry of Home Affairs would comply therewith in letter and spirit in future in the matter of laying of Annual Reports of the Minorities Commission on the Table of the House.

## CHAPTER III

### DELAY IN LAYING ANNUAL REPORTS AND AUDITED ACCOUNTS OF THE GANDHI DARSHAN SAMITI, NEW DELHI FOR THE YEARS 1980-81 AND 1981-82.

3.1. The Annual Report and Audited Accounts for 1980-81 of the Gandhi Darshan Samiti, New Delhi were laid on the Table of Lok Sabha on 15 July, 1982, alongwith a statement explaining the reasons for delay in laying the Report and accounts.

3.2. In the delay statement laid on the Table of the House on 15 July, 1982, the reasons for delay in laying the Report for 1980-81 has been explained as under :

“The Annual accounts for the year 1980-81 were furnished to the audit by the Gandhi Darshan Samiti on 7th July, 1981 and Hindi version thereof on 26th October, 1981. Director of Audit conducted the Audit of the Accounts from 14th to 30th July, 1981. Inspection Report was discussed by the Audit Party with the Director, Gandhi Darshan Samiti on 4th August, 1981. Draft Audit Report was sent to the Samiti by the Director of Audit for comments on 18th September, 1981. Comments/Replies to the various points mentioned in the draft audit report were furnished by the Samiti on 26th October, 1981 to the Director of Audit.

The Audit also raised on 5th November, 1981 the matter regarding appointment of Chartered Accountant by the Samiti for auditing office books, sales section for the period upto 31.3.1981, as the appointment of Chartered Accountant for auditing the sales accounts infringed the prescribed conditions on which the audit of the Samiti was taken up by the Comptroller & Auditor General. After consultation with the Gandhi Darshan Samiti final reply of the Ministry confirming that the arrangement for audit by Chartered Accountant would be dispensed with from 1981-82 onwards was sent to Director of Audit, Central Revenues on 19.2.1982. English version of the Annual Accounts and Audit Report thereon was issued by the

Director of Audit on 26-2-1982 and its Hindi version issued on 11th March, 1982 to the Government and Samiti.”

3.3. The Ministry of Education and Culture (Department of Culture), we were asked to intimate the reasons why the Gandhi Darshan Samiti took more than 3½ months in furnishing the Hindi version of the Annual Accounts for 1980-81 to the Audit after furnishing the English version, stated as follows :

“The Gandhi Darshan, New Delhi have so far made no arrangements for Hindi translation and in the absence of necessary staff *i. e.* Hindi translator etc., the translation work had been done outside. Hence delay. Necessary instructions have been issued to the -Gandhi Darshan to avoid such delays in future.”

3.4. In reply to a query whether the Samiti was aware of the fact that the appointment of Chartered Accountant for auditing the sales accounts infringed the prescribed conditions on which the Comptroller and Auditor General of India had taken up the audit of the Samiti's accounts, the Ministry of Education and Culture (Department of Culture) informed :

“There was some misunderstanding on the part of the Gandhi Darshan. They started the sales counter on experimental basis and therefore its accounts were decided to be kept separately. Moreover, the books for sale on the sale counter were procured mostly on credit system from various book-sellers without involving the funds of the Gandhi Darshan Samiti. It was only on 7-1-81, the Executive Committee of the Gandhi Darshan decided that the accounts of the sales counter should be merged with the accounts after getting the accounts of the sales counter audited by the Chartered Accountant. Gandhi Darshan therefore did not realise that by having a Chartered Accountant for auditing the sales account would amount to infringing the prescribed conditions on which the audit of the Samiti had been taken up by the Comptroller and Auditor General of India.”

3.5. Explaining the reasons for not laying the Annual Report and Audited Accounts of the Gandhi Darshan Samiti for the year 1980-81 during the Eighth Session of Lok Sabha held from 18 February to 30 April, 1982, in spite of the fact that the Audited Accounts (both Hindi and English versions) were available with the Samiti in March, 1982, the Ministry of Education and Culture (Department of Culture) stated as under :

“After receipt of the English version in February, 1982 and Hindi version of the audited statement of account and the audit report in March, 1982, action was initiated to prepare a detailed statement and to have the same vetted by the Comptroller and Auditor General of India. The detailed vetted ‘Delay Statement’ was received from the

Comptroller and Auditor General's office on 20th April, 1982. By the time the reports were processed for authentication by the Minister of State for Education, the Lok Sabha was adjourned *sine die*. As such reports etc. could not be laid before the Lok Sabha during the 8th Session. The delay is regretted."

3.6. The Annual Report, Audited Accounts and Audit Report (herein referred to as the Annual Report) of the Gandhi Darshan Samiti for the year 1981-82 were laid on the Table of Lok Sabha on 10 May, 1983 alongwith 'Review' and a statement of reasons for delay.

3.7. The statement of reasons for delay in laying the Annual Report, Audited Accounts and Audit Report for the year 1981-82 reads as under :

"The English version of the Annual Accounts for the year 1981-82 was furnished to the Audit by the Gandhi Darshan Samiti on 30th July, 1982 (Hindi version thereof on 25th September, 1982). The Audit of accounts was conducted by the audit office from 3rd August, 1982 to 25th August, 1982. The audit discussed the Report with the Samiti on 26th August, 1982. The audit examined/verified certain aspects bearing on the accounts of the Samiti on 16 September, 1982, 21st September, 1982 and 27th September, 1982. The draft Audit Report was sent by the audit to the Samiti on 11th November, 1982, for confirmation/comments. The Samiti furnished comments/replies to the Audit on various points mentioned in the draft audit report on 16th November, 1982. The Director of Audit issued to the Government and the Samiti, the English version of the audited accounts and Audit Report thereon on 17th December, 1982. The Hindi version of the audited accounts and Audit Report thereon were issued by the Director of Audit to the Government and the Samiti on 12th January, 1983.

The Annual Report and the audited accounts together with the Audit Report were considered and approved by the Executive Committee of the Gandhi Darshan Samiti at its meeting held on 25th January, 1983. However, the Annual Report and Audit Report were received by the Government from the Samiti on 2nd March, 1983 and these are now being laid on the Table of the Sabha."

3.8. The Committee on Papers laid on the Table considered the matter at their sitting held on 31 October, 1983.

3.9. The Committee note that the laying of Annual Reports and Audited Accounts of the Gandhi Darshan Samiti, New Delhi for the years 1980-81 and 1981-82 on the Table of Lok Sabha was delayed by 6½ months and 4½ months respectively.

3.10. From the Information furnished by the Ministry of Education and Culture (Department of Culture) the Committee find that the Annual Report



and Audited Accounts of the Gandhi Darshan Samiti for the year 1980-81 were ready with the Samiti in March, 1982. These could have been laid on the Table of the House during the Session which was held from 18 February to 30 April, 1982. The reason advanced by the Ministry that due to the time taken in finalisation of the 'Statement of reasons for delay', is hardly convincing. The Committee feel that the Ministry of Education and Culture (Department of Culture) had not taken adequate precautionary measures to see that the Annual Report and Audited Accounts which had already got delayed, should not be delayed further. The Committee hope that the Ministry would be more careful in this regard, in future.

3.11. The Committee note that the Samiti took 4 months in compiling its accounts for the year 1981-82 and thereafter about 8½ months in completing other formalities such as getting the account audited, compilation of the Annual Report, translation and printing of the Annual Report and Audited Accounts and laying them on the Table of the House. The Committee regret to observe that their recommendation contained in paragraph 3.5 of their First Report (Fifth Lok Sabha) has not been complied with. The Committee need hardly point out that in order to ensure laying of the Annual Reports and Audited Accounts of the Samiti within the time limit laid down by the Committee in their aforementioned recommendation, a time schedule is imperative for completion of all actions in time at various stages of the Reports and Accounts. The Committee, therefore, recommend that the Ministry of Education and Culture (Department of Culture) should, in consultation with the Gandhi Darshan Samiti, draw up a time schedule for the finalisation of the accounts and their auditing, compilation of Annual Report, translation, printing and approval of the Annual Report and Audited Accounts by the Samiti so that these are laid on the Table of the House within 9 months of the close of accounting year.

## CHAPTER IV

### DELAY IN LAYING THE ANNUAL REPORTS AND AUDITED ACCOUNTS OF THE NATIONAL BUILDINGS CONSTRUCTION CORPORATION LIMITED FOR THE YEARS 1980-81 AND 1981-82.

4.1. The Annual Report and Audited Accounts of the National Buildings Construction Corporation Limited, New Delhi for the year 1980-81 were laid on the Table of Lok Sabha on 9-8-1982, alongwith a statement of reasons for delay and 'Review' under the provisions of Section 619A of the Companies Act, 1956. In terms of the recommendation of the Committee made in paragraph 4.16 of their Second Report (Fifth Lok Sabha), these reports were required to be laid on the Table within 9 months of the close of the accounting year, *i.e.* by 31.12.1981. Thus the period of delay in laying the report comes to 7½ months.

4.2. In the statement laid alongwith the Report for 1980-81, the reasons for delay have been explained, *inter alia* as under :

“According to the provisions of the Companies Act, 1956, the Annual General Meeting of the Corporation was required to be held by the 30th September, 1981 for adoption of the accounts by the shareholders for the year ended 31st March, 1981. However, the meeting could not be held in time due to delay in the finalisation of the accounts. The Corporation has about 40 units in India and 7 units abroad. The compilation of the Annual Accounts in respect of the units in Iraq had been delayed due to the outbreak of hostilities between Iran and Iraq. The Statutory Auditors appointed by the Department of Company Law Board, who were required to visit the foreign projects in Libya and Iraq could visit these places only in October, 1981. In these circumstances, the corporation could not hold the meeting before 31st December, 1981. The accounts for the year ended 31st March, 1981 were adopted by the shareholders on the 31st December, 1981 in the Annual General Meeting after completing all formalities as required

in the Companies Act. Added to this delay was the unforeseen delay in the printing of the Annual Report by a private press.

The delay is very much regretted."

4.3. On a reference made, the Ministry of Works and Housing, while explaining whether printed copies of the Annual Report for 1980-81 containing the Audited Accounts and the comments of C & A.G. were made available to the shareholders in advance of the holding of the Annual General Meeting of the Corporation, informed as under :

"The Audited Accounts for the year 1980-81 were finally adopted by the Board of Directors in its meeting held on 28.12.81. The Directors' report to the shareholders on the working of the Corporation for the year 1980-81 was finally adopted by the Board of Directors in its meeting held on 29.12.1981.

In terms of Section 43A(1A) of the Companies Act, 1956, the NBCC is required to comply with the provisions of the Companies Act with regard to the period of the service of the notice for convening the General Meetings of the Corporation.

Section 171(1) of the Companies Act, 1956, provides that not less than 21 days notice in writing should be given for convening the General Meetings of the Company. However, as per Section 171(2) (i), Annual General Meetings of a public company may be convened after giving shorter notice than that specified in sub section 1 of Section 171 of the Companies Act, 1956, if consent is accorded there to by all the members entitled to vote at such meetings.

Accordingly consent of all the shareholders was obtained under Section 171(2) (i) of the Companies Act, for holding the Annual General Meeting of the Corporation on the 31st December, 1981 by giving a notice of less than 21 days. The notice for holding the Annual General Meeting along with cyclostyled copies of the Annual Report for the year 1980-81 were circulated to the shareholders on the 29th December, 1981. The comments of the Comptroller & Auditor General were received on the 30th December, 1981. The cyclostyled copies of these comments along with corporation's reply thereto as approved by the Board in its meeting held on 31st December, 1981 were placed in the Annual General Meeting held on 31.12.81."

4.4. As regards the question of printing of the Annual Report and Audited Accounts of the Corporation for the year 1980-81, the Ministry of Works and Housing stated as under :

"The draft Annual Report and the Audited Accounts were handed over to the Press alongwith the supply order for printing on the 11th February, 1982. The printer took over 3 months to print the Report."

4.5. Explaining the reasons for not laying the Annual Report and Audited Accounts of the Corporation for the year 1980-81 during the Budget Session (from 18 February to 30 April, 1982) inspite of the fact that the Annual General Meeting of the Corporation had already been held on 31 December, 1981, the Ministry stated :

"According to the Supply Order the printer was required to supply the printed copies of the Annual Report within 30 days, including the designing, proof reading, printing and final delivery from the date of receipt of Supply Order and manuscript. The printer was also required to fix up a design agency for completing the job as per the supply order. The Printer, however, could not fix up a suitable design agency which consequently delayed the completion schedule of the Annual Report. Had the printer fixed up the printing schedule as per the Supply order it would have been possible to place the Annual Report during the Budget Session of the Parliament. Action has already been initiated by the Company to debar the printer concerned from further award of printing works because of the delay by him in the completion of the printing of the Annual Report."

4.6. The Annual Report, Audited Accounts and Audit Report of the National Buildings Construction Corporation for the year 1981-82 were laid on the Table of Lok Sabha on 9 May, 1983 alongwith 'Review' and a statement of reasons for delay. The statement of reasons for delay reads as follows :

"According to the provisions of the Companies Act, 1956, the Annual General Meeting of the Corporation is required to be held by the 30th September, 1982 for adoption of the accounts by the share-holders for the year ended 31st March, 1982. However, the meeting could not be held before the 31st December, 1982 due to delay in the finalisation of the accounts. This apart there had been unavoidable delay in the printing of the Annual Report by a private printing of coloured photographs etc., and also keeping in view that the quality of job should be such as to project the performance and activities of the Corporation in a meaningful manner, the printer made all out efforts to improve its quality so as to make it presentable to the overseas clients. In the result, the printer had to take 3 months for printing out the required number of copies of the Annual Report."

4.7. The Committee on Papers laid on the Table considered the matter at their sitting held on 31 October, 1983.

4.8. The Committee note that the Annual Reports and the Audited Accounts of the National Buildings Construction Corporation Limited for the years 1980-81 and 1981-82 were laid on the Table of Lok Sabha on 9 August, 1982 and 9 May, 1983 after a delay of 7½ months, 4½ months respectively.

4.9. From the information furnished by the Ministry of Works and Housing and the statements of reasons for delay laid alongwith the Annual Reports and Audited Accounts of the Corporation for the years 1980-81 and 1981-82, the Committee find that the delay occurred mainly due to finalisation of the accounts and printing of the Annual Reports and Accounts. The committee appreciate the difficulties faced by the Corporation in getting the accounts of its units abroad audited in time due to outbreak of hostilities between Iraq and Iran but they feel that delay could have been minimised, if not totally eliminated, by ensuring that the printers commenced printing the Annual Reports adequately in advance of the work schedule.

4.10. As a further measure to ensure timely printing of the Annual Reports and Audited Accounts of the Corporation, the Committee are of the view that action should be taken in advance to select renowned printers noted for their efficiency and punctuality for the purpose and to settle the rates of printing with them for their job requirements so that no time is lost in protracting the negotiations with them till the eleventh hour.

4.11. The Committee trust that the Ministry of Works and Housing would make all-out efforts to ensur timely finalisation of accounts of the Corporation and their auditing, compilation of the Annual Report, translation and printing of the Annual Report, and Audited Accounts and their adoption by the shareholders so that these are laid on the Table of the House within 9 months of the close of the accounting year as recommended in paragraph 4.16 of the Second Report of the Committee on Papers laid on the Table (Fifth Lok Sabha).

## CHAPTER V

### DELAY IN LAYING ANNUAL REPORTS AND AUDITED ACCOUNTS OF THE BRIDGE AND ROOF COMPANY (INDIA) LIMITED, CALCUTTA FOR THE YEARS 1979-80 AND 1980-81.

5.1. The Annual Report together with audited accounts of the Bridge and Roof Company (India) Limited, Calcutta for 1979-80 was laid on the Table of Lok Sabha on 2 March, 1982 with a delay of 14 months. The Ministry of petroleum also laid on the Table of the House their own 'Review' and two statements regarding (i) reasons for delay in laying the Annual Report and accounts for 1979-80; and (ii) reasons why the Annual Report and accounts for 1980-81 could not be laid within the prescribed period of nine months after the close of accounting year. The statements read as under :

**" (i) Reasons for delay in laying Annual Report 1979-80 of the Bridge and Roof Company (India) Limited, Calcutta.**

The financial year of Bridge and Roof Company Limited ended on 31.3.1980. The Annual Report for the year 1979-80 was required to be laid on the Tables of both the Houses by 31.12.1980.

The Report could not be laid on the Tables of the Houses on time due to—

- (i) delay in the finalisation of the Annual Report for the year 1978-79;
- (ii) the late appointment of Statutory Auditors by the Company Law Board; and
- (iii) the Auditors had to visit the overseas project sites in Iraq and Kuwait and as such additional time was taken for the completion of annual accounts for the year 1979-80.

The estimated scheduled of completion and the actual time of completion are indicated below :

	Estimated Date	Actual Date
(a) completion of Statutory Audit	15.6.1981	30.10.81

	Estimated Date	Actual Date
(b) Completion of Government Audit	31.9.1981	24.12.1981
(c) Printing of Accounts	14.8.1981	25.1.1982
(d) Adoption in Annual General meeting	7.9.1981	23.2.1982

- (ii) **Reasons why the Annual Report for 1980-81 of the Bridge and Roof Company (India) Limited, Calcutta could not be laid within the stipulated period of nine months after close of the accounting year.**

The financial year of the Bridge and Roof Company (India) Limited, Calcutta ended on 31.3.1971. The Annual Report for the year 1980-81 was required to be placed on the Tables of both the House by 31.12.1981. However, due to the delayed finalisation of the annual accounts for the year 1978-79, the Company could not finalise the accounts for the year 1980-81. The Report will be placed on the Table of the House as soon as it is finalised and adopted at the Annual General Meeting of the Company. The finalisation of annual accounts is expected to be made up-to date before the end of 1982."

5.2. The Ministry of Petroleum were then asked to furnish information on certain points. The points on which the Ministry were asked to furnish information and the replies given thereto by the Ministry, are as follows :

Points	Replies
(i) The dates on which (a) the accounts of the Company for 1979-80 were ready for auditing.	February, 1981. The delay was due to delayed finalisation of accounts for 1978-79.
(b) the Company Law Board was approached to appoint Statutory Auditors;	C.A.G. authorities were approached for appointment of auditors on 16.2.1981.
(c) the Statutory Auditors were appointed.	Auditors for 1978-80 were appointed by Company Law Board on 31.3.1981 on the advice of C.A.G.
(ii) The dates on which (a) Annual General Meeting was held to	30.12.1980

adopt audited  
accounts for 1978-79.

(b) Annual Report and  
Accounts for 1978-79  
were laid on the  
Table of the House.

5.5.1981

(iii) the duration of period  
within which Auditors  
visited overseas  
project sites in Iraq  
and Kuwait.

Auditors, visit aboard was  
extended for a period of  
approximately 20 days from  
28.8.81 to 15.9.81.

(iv) To what extent the said  
visit of auditors  
contributed towards  
delay in completion of  
annual accounts for  
1979-80.

The Company had applied to  
Company Law Board for exemp-  
tion of the Auditors visit aboard as  
the Company had to appoint local  
auditors also under statutory pro-  
visions of that country. Since no  
reply came from the Company Law  
Board for seven weeks, the  
Company decided to send the audi-  
tors from India with the approval  
of its Board. Part of this waiting  
period as well as the period of ac-  
tual visit of the auditors contri-  
buted by the delay in finalisation  
of accounts by six week.

(v) the steps taken to  
eliminate delay in lay-  
ing Annual Reports in  
future.

The vacant post of the Finance  
Director of the Company has been  
filled up. The Company has been  
given strict directions to finalise  
the accounts for the year 1980-81  
well before the Monsoon session  
and that for the year 1981-82 by  
December, 1982.

5.3. The Annual Report and Accounts of the Bridge and Roof Company (India) Limited Calcutta for the year 1980-81 alongwith the 'Review' and a statement of reasons for delay were laid on the Table of Lok Sabha on 22 March, 1983. The statement of reasons for delay reads as follows :

"The financial of the Company ended on 31.3.1981. The Annual Report of the Company however, could not be laid on the Table of



the House within the specified period as the accounts of the Company could not be finalised in time.

The same has now been finalised as adopted at the Annual General Meeting of the members of the Company on 29 October, 1982."

5.4. The Committee note that the Annual Reports and the Audited Accounts of the Bridge and Roof Company (India) limited, Calcutta for the years 1979-80 and 1980-81 were laid on the Table of Lok Sabha on 2 March, 1982 and 22 March, 1983 after a delay of 14 months and 14½ months, respectively. The Committee find from the statements explaining reasons for delay and the information furnished subsequently by the Ministry of Petroleum, Chemicals & Fertilizers that the delay had occurred mainly due to delay in finalisation of the accounts of the Company for the earlier year, i.e. 1978-79. The Committee also note that the delay is of a recurring nature. The Committee cannot but express their strong displeasure over the recurring nature of such delay and feel that much of the delay could have been avoided if the Ministry and the Company had been vigilant and had taken up the question of delay with the Auditors for expeditious auditing of the accounts.

5.5. In order to eliminate such delay in future, the Committee recommend that the Ministry of Petroleum should, in consultation with the Bridge and Roof Company (India) Limited, draw up a detailed time schedule for the finalisation of the accounts and their auditing, compilation of the Annual Report, translation, printing and approval of the Annual Report and Audited Accounts of the Company and strictly adhere to it so that these documents are laid on the Table of the House within 9 months of the close of the accounting year as recommended by the Committee in paragraph 3.5 of their First Report (Fifth Lok Sabha).

5.6. The Committee note that the Annual Report and Audited Accounts of the Company for the year 1981-82, which were required to be laid on the Table of the House by the end of December, 1982, are yet to be laid. The Committee would like the Ministry to take urgent steps to lay the said Annual Report and Accounts without any further delay. The Committee hope that the Ministry would strictly observe the guidelines laid down by the Committee and lay the Annual Reports and Audited Accounts of the Company in time, in future.

## CHAPTER VI

### DELAY IN LAYING THE ANNUAL REPORTS, AUDITED ACCOUNTS AND AUDIT REPORTS THEREON OF THE INDIAN INSTITUTE OF MANAGEMENT, CALCUTTA FOR THE YEARS 1979-80 AND 1980-81

The Annual Report of the Indian Institute of Management, Calcutta, for the year 1979-80 was laid on the Table of Lok Sabha on 6.4.1981 and the audited statement of accounts alongwith Audit Report and Audit Certificate for the same year were laid on the Table on 24.12.1981.

6.2. In a statement laid on the Table on 24.12.1981, the delay in laying the audited accounts and Audit Report thereon of the Institute for the year 1979-80 has been explained as under :

“The Audited Statement of Accounts in English and Hindi for the year 1979-80 could not be laid on the Table of Lok Sabha alongwith Annual Report 1979-80 laid in April, 1981 for the reason that they were not received in time. Copies of both English and Hindi versions of the Audited Statement of Accounts alongwith Audit Report and Audit Certificate for the year 1979-80 were received on 28.11.1981 in the Ministry and are now being laid on the Table of the House.

All efforts are being made to ensure that there is no undue delay in laying papers before Parliament.”

6.3. As full facts about the reasons for delay were not spelt out in the above-mentioned statement, the Ministry of Education and Culture were requested in April, 1982 to furnish information on some points relating to the compilation of accounts by the Institute for the year 1979-81, their submission to the Audit for auditing, receipt of audit queries, if any, resolution of audit queries, receipt of draft Audit Report and final audit report and the time taken for translation and printing of the audited accounts and Audit Report. In this connection, the Ministry stated :

“Accounts for 1979-80 were compiled on the 14th August, 1980.

Immediately after compilation of Accounts the same was made over to the Director of Audit Central. Audit of 1979-80 accounts by Director of Audit continued upto middle of October, 1980 and Audit queries were received till last date of audit.

All verbal audit queries were settled on the spot. Written queries in respect of major items were replied to but replies to some audit queries could not be furnished in time. Since Audit queries in original together with replies thereto were forwarded to the Director of Audit Central, further details, it is regretted, are not readily available. Under the extant practice such audit queries, if necessary find place in the draft Audit paragraph.

Draft audit report was received in March, 1981 and final Audit Report was received on 26th August, 1981.

Printed audited accounts and audit report were forwarded to the Ministry on 19.11.1981. Time lag about two months and half."

6.4. Explaining the reasons for delay and steps taken or to be taken to ensure compilation of the Annual Report and Accounts within the time schedule recommended by the Committee and laying of the Annual Reports and Audit Reports of all the Indian Institutes of Management together in future, the Ministry of Education and Culture stated :

"Initially the Institute is responsible for delay as they submitted accounts to audit in middle of August whereas they should have done it by 30.6.1980, but this was further delayed by Audit.

The Institute has now prepared time bound programme for compilation of account by the 30th June of the following year. Accordingly 1980-81 accounts were made over to the Director of Audit, Central on that date.

The Institutes are being requested to prepare a time bound programme for finalising the Annual Report and Audited Accounts and Audit Reports by the end of September and supply copies of English and Hindi versions thereof during October each year."

6.5. The Annual Report of the Indian Institute of Management, Calcutta for the year 1980-81 was laid on the Table of Lok Sabha on 22.4.1982, with a statement explaining in brief reasons for not laying the Audited Statement of Accounts and Audit Report of the Institute alongwith the Annual Report, as under :—

"Copies of both English and Hindi versions of the Annual Report for 1980-81 have not been received and are laid on the table of the House. Audited Statement of Accounts Audit Report and Audit Certificate for the year 1980-81 will be laid after the same have been received from the Institute who have been reminded.

All efforts are being made to ensure that there is no undue delay in laying papers before Parliament."

6.6. The Audited statement of Accounts, Audit Report and Audit Certificate for the year 1980-81 were laid on the Table on 7.10.1982.

6.7. The Annual Report of the Indian Institute of Management, Calcutta for the year 1981-82 and 'Review' thereon were laid on the Table of Lok Sabha on 31.3.1983, with a statement explaining the reasons for not laying the Audited Statement of Accounts of the Institute alongwith the Annual Report, as under :

"The Institute could not despatch the copies of the Hindi Annual Report in time. English and Hindi copies of the Annual Report have been received in the Ministry only on 11.2.1983.

The Audited statement of Accounts for the year 1981-82 could not be laid on the Table of Lok Sabha along with the Annual Report for the year 1981-82 as the same has not been received from the Institute so far. The Institute has been requested to expedite the submission of the same. These [will be laid after the same have been received from the Institute who have been reminded.

The Institute, is, however, being advised to furnish the report in time in future so as to ensure that there is no undue delay in presentation of the Report and accounts in Parliament."

6.8. The Audited Statement of Accounts of the Indian Institute of Management, Calcutta for the year 1981-82 were laid on the Table on 4.8.1983.

6.9. There are two more Institutes located at Ahmedabad and Bangalore. The position of laying of Annual Reports and audited accounts and Audit Reports in respect of all the three Institutes for the years 1979-80 and 1980-81 is as under :

<i>Name of the Institute</i>	<i>Annual Report</i>	<i>Date of laying</i>	<i>Audit Report</i>	<i>Date of laying</i>
Indian Institute of Management, Calcutta	1979-80	6.4.1981	1979-80	24.12.1981
	1980-81	22.4.1982	1980-81	7.10.1982
	1981-82	31.3.1983	1981-82	4.8.1983
Indian Institute of Management, Ahmedabad.	1979-80	22.12.1980	1979-80	22.12.1980
	1980-81	17.12.1981	1980-81	17.12.1981
	1981-82	17.3.1983	1981-82	17.3.1983
Indian Institute of Management, Bangalore	1979-80	1.12.1980	1979-80	1.12.1980
	1980-81	24.12.1981	1980-81	24.12.1981
	1981-82	28.4.1983	1981-82	28.4.1983

6.10. The Committee note that the Annual Reports of the Indian Institute of Management, Calcutta for the years 1979-80, 1980-81 and 1981-82 were laid on the Table of Lok Sabha on 6 April, 1981, 22 April, 1982 and 31 March, 1983, respectively *i.e.* after a delay of 3 months, 4 months and 3 months respectively. The Audited Accounts and Audit Reports for these years were laid on 24 December, 1981, 7 October 1982 and 4 August, 1983 respectively *i.e.* after a delay of 12 months, 9 months and 7 months respectively.

6.11. The Committee also note that the Institute took 4½ months time, instead of 3 months, after the close of the year in compiling its accounts for the year 1979-80 and the Audit took 11 months time thereafter to make available the final Audit Report for that year to the Institute. The Committee urge the Ministry of Education and Culture that they should, in consultation with the Indian Institute of Management, Calcutta, draw up a time schedule for completing all the formalities like compiling of accounts, their auditing, translation, printing, adoption of Annual Report and Audited Accounts by the Institute and laying the same on the Table of the House, within nine months as recommended by the Committee in paragraph 3.5 of their First Report (Fifth Lok Sabha). The Committee hope that the Ministry of Education and Culture would also impress upon the Audit to audit the accounts of the Institute in time so that no delay is caused in laying the Audited Accounts on the Table of the House.

6.12. The Committee regret to note that the statements explaining reasons for delay laid along with Annual Reports and Audited Accounts for the years 1979-80, 1980-81 and 1981-82 do not spell out the full information regarding the time taken at various stages of the accounts. The Committee need hardly stress that the statements of reasons for delay should contain information, in chronological order setting forth the dates of compilation of Accounts, their submission to Audit, receipt of draft Audit Report, replies given to audit queries, receipt of final Audit Report translation and printing of Accounts and their submission to the Ministry for laying on the Table of the House, so that the House may identify the stage, causes and extent of delay and suggest remedial measures wherever required.

6.13. The Committee also note that the Annual Reports and Audited Accounts of the Indian Institute of Management, Calcutta are not being laid together whereas in the cases of other two Institutes *i.e.* (i) Indian Institute of Management, Ahmedabad and (ii) Indian Institute of Management, Bangalore, both the documents are laid Together in the House. The Committee hope that the Ministry of Education and Culture would impress upon the Indian Institute of Management, Calcutta to submit both the documents to the Ministry together so that these are laid on the Table of the House simultaneously.

## CHAPTER VII

### DELAY IN LAYING ANNUAL REPORTS OF THE ANDAMAN AND NICOBAR ISLANDS FOREST AND PLANTATION DEVELOPMENT CORPORATION LIMITED, PORT BLAIR FOR THE YEARS FROM 1977-78 TO 1981-82.

7.1. The Annual Report and Audited Accounts of the Andaman and Nicobar Islands Forest and Plantation Development Corporation Ltd., Port Blair for the year 1977-78 were laid on the Table of Lok Sabha on 17 November, 1980 under Section 619 A of the Companies Act, 1936. A statement showing the reasons for delay in laying the Report and accounts and a 'Review' of the activities of the Corporation during that year were also laid on the Table along with the Report. In accordance with the recommendation of the Committee made in paragraph 4.16 of their second Report (Fifth Lok Sabha) the Report should have been laid on the Table on 31.12.1978 i.e. within 9 months of the close of the accounting year and thus involves delay of 22½ months.

7.2. In the statement the Minister of Agriculture explained the reasons for delay in laying the Report and accounts of the Corporation for the year 1977-78 as under :

“The Annual Report of the Corporation is prepared both in English and Hindi version after the audited account for the year are adopted at the Annual General Meeting of the share holders.

The statutory auditors for the year ending 31st March, 1978 were appointed on the 20th September, 1978. They started the work from the end of November, 1978 and completed the same on the 14th December, 1978. The accounts were approved by the Board of Directors on the 9th January 1979 and the auditors certified the accounts on the 16th January, 1979. The Corporation then approached the Director of Commercial Audit (Coal) Calcutta for their report under Section 619(4) of the Companies Act, 1956 which was issued by them on the 18th July, 1979. On receipt of the report from the Director of Commercial Audit (Coal), the accounts were printed and the notice was

issued on 1.8.1979 stating that the meeting will be held on 15.9. 1979. No meeting was held due to various reasons. These accounts were approved in the share-holders meeting held on the 27th October, 1979.

It was noticed that the Hindi version of the Report and other matters were not properly cyclostyled and Corporation was asked to reprint reports in good manner in March, 1980. Thereafter the Corporation took some time in sending the English and Hindi versions of the Report. After that some time was taken in preparing the review of the activities of the Corporation."

7.3. On being asked, the Ministry of Agriculture informed that the Andaman and Nicobar Islands Forest and Plantation Development Corporation had approached the Department of Company Affairs on 12 June, 1978 for appointment of Statutory Auditors for the year 1977-78 and the Comptroller and Auditor General of India on 15 September, 1978 for appointment of Auditors.

7.4. Explaining the reasons for taking 5 months' time in asking the Corporation to reprint reports in Hindi, the Ministry of Agriculture stated:

"On 12.10.1979 the Managing Director of the Corporation was requested to send 60 copies of the Annual Report for the year 1977-78 of the Corporation for laying on the Table of the Lok Sabha/Rajya Sabha (both English and Hindi versions). The Corporation *vide* their letter dated 22.10.1979 informed this Ministry that the First adjourned Annual General Meeting of the Corporation will be held on 27th October, 1979 and once the accounts are approved in the meeting, 60 copies of the Report in English only will be sent to the Ministry. As regards Hindi version, it was informed that they have already taken suitable action for translation of the English Report in Hindi and copies of the same will be forwarded in due course. On 31st October, 1979 the Corporation despatched 70 copies of the report (English version) only by registered post which were received in the Ministry on 13 November, 1979. As it was necessary under the instructions issued from time to time by the Bureau of Public Enterprises to submit detailed reasons for delay while laying the report on the table of the House, the Managing Director of the Corporation was asked to give reasons for delay in laying the report on the table of the House. A communication in this regard was received in the Ministry on 30.1.1980 giving the detailed reasons for the delay. Subsequently on 11.2.1980 thirty copies of Hindi version of the report were also received in the Ministry. On 15.2.1980 both English and Hindi versions of the Report were put up for their authentication of the Minister of Agriculture. After going through various channels, the file reached the Minister on 29.2.80 and came back on 6.3.80 with certain obser-

vations/remarks. On receipt of the file, the matter was again taken up with the Managing Director of the Corporation to get the report reprinted both in English and Hindi in a booklet form as there were certain discrepancies in the English version of the Report and the cyclostyled copies of the Hindi version of the report were in a bad shape. In his communication from the Managing Director of the Corporation which was received in the Ministry on 14.3.1980, it was informed that the Government Press at Port Blair was contacted by him and he was informed that they were unable to print Annual Report of Hindi for 1977-78. The Managing Director of the Corporation had therefore to depute one of his officers to Calcutta for the purpose. However, diglot edition of the Report was despatched from Calcutta by Corporation official on 27.3.1980 which were received in the Ministry on 31.3.1980.

As such it took 5 months from 27.10.1979 to March, 1980 for the Ministry to ask the Corporation to reprint reports in Hindi and English also.

English and Hindi versions of the report were received in the Ministry on 2.4.1980."

7.5. As regards the reasons for not laying the Annual Report for 1977-78 during the Third Session (Seventh Lok Sabha) held from 9.6.1980 to 12.8.1980, the Ministry stated :—

"Action was taken to get the report, the review and the reasons for delay authenticated by the Minister of Agriculture. While scrutinising the Review Report draft on the basis of the Annual Report (1977-78) of the Corporation, several references came across in the body of the Report pertaining to the period beyond 1977-78. These references were irrelevant *vis-a-vis* the Annual Report for a particular period i.e. 1977-78. It was then considered that it will not be in order to put up the Annual Report in this form in the Lok Sabha/Rajya Sabha Houses. As such the Managing Director of the Corporation was requested to furnish corrected/printed copies of the Annual Report at once enabling this Ministry to lay the same on the table of both the Houses during the session mentioned. After certain clarification from the Managing Director of the Corporation and the advice of the Ministry of Finance, the Annual Report, statement explaining reasons for delay in submitting the report to Parliament and the review of activities of the Corporation for the year 1977-78 was put up for authentication of the Minister of Agriculture on 1.8.1980. The file travelled through various channels and reached the Minister on 11.8.1980. The Minister cleared it on 27.8.1980. Hence the report could not be laid on the table of the House during Third Session of Parliament held from 9.6.1980 to 12.8.1980."



7.6. As far steps taken by the Ministry to ensure timely submission of the report by the Corporation to the Ministry and its laying before Parliament in future, the Ministry informed that "the Managing Director of the Corporation is being impressed upon time and again to take adequate measures for submission of the Annual Reports of the Corporation to the Ministry for their laying before Parliament will in time in future."

7.7. The Annual Report of the Corporation for 1978-79 was laid on the Table on 23.2.1981 along with a statement explaining the reasons for delay in laying the Report and involved a delay of 14 months. In the statement, the delay had been explained as under :—

"The Annual Report of the Corporation is prepared both in English and Hindi versions after the audited accounts for the year are adopted at the Annual General Meeting of the share holders. The Andaman and Nicobar Islands Forest and Plantation Development Corporation requested the Company Law Board for appointment of Auditors on 14th February, 1979. A reminder for expediting the matter was sent to the Company Law Board on 25th May, 1979 by the Corporation. The Company Law Board on 14th May, 1979 asked to Corporation to furnish certain information for onward transmission to the Comptroller and Auditor General of India which was compiled on 4th June, 1979. The Auditors were appointed on 30th July, 1979 by the Company Law Board and intimation to that effect was received by the Corporation on 10th August, 1979. List of Directors were furnished to the auditors on 17th August, 1979. M/s' G. Chatterjee and Co., Auditors appointed by the concerned authorities were requested to intimate the tentative date on which they would take up the work. They started audit work on 31st October 1979 and finalised the same in December, 1979. A meeting of the Board of Directors was called on 9th January, 1980 for approval of the accounts. Thereafter signed accounts were submitted to the Auditors on 12th January, 1980, and the same was signed by them on 15th January, 1980. Director of Commercial Audit (Coal) Calcutta had taken up the work on 22nd January, 1980, which was received by the Corporation in first week of April, 1980. Thereafter a meeting of the Board of Directors was called on 25th April 1980 to consider the audit report and also to fix date for adjourned 2nd Annual General Meeting. The adjourned annual general meeting of the share holders was held on 4th June, 1980 and the accounts were adopted by them. Meanwhile the Corporation started getting the report and the accounts translated in Hindi. Since no press at Port Blair including Government Press were willing to print the report in English and Hindi, the report was sent to Calcutta for printing in July, 1980. Printed copies of the report were received in first week of

October, 1980 by the Corporation and copies of the report were received in the Ministry on 10.10.1980. After that some time was taken in preparing the review of the activities of the Corporation."

7.8. On 17th August, 1981, the Ministry of Agriculture laid on the Table of Lok Sabha only a statement explaining the reasons for not laying the Annual Report, Audited Accounts and Audit Report of the Corporation for the year 1979-80 (Appendix II).

7.9. At their sitting held on 7 November, 1981, the Committee on Papers laid on the Table considered the reasons given by the Ministry of Agriculture in regard to delay in laying the Annual Reports of the Andaman Nicobar Islands Forest and Plantation Development Corporation for the years 1977-78, 1978-79 and 1979-80 and decided that the representatives of that Ministry might be called to appear before them to explain the delays.

7.10. At the sitting of the Committee held on 5 January, 1982, the representatives of the Ministry of Agriculture (Department of Agriculture and Co-operation) appeared before the Committee to give oral evidence on the subject.

7.11. During the evidence, when enquired about the reasons for recurring delays in laying the Annual Reports, the Inspector General of Forests and ex-officio Additional Secretary of that Ministry informed that the recommendations of the Committee, made in paragraph 4.16 of their Second Report (Fifth Lok Sabha,) was communicated to the Andaman and Nicobar Islands Forest and Plantation Development Corporation Limited, Port Blair on 24 July, 1978 and "Reports had been called from the Corporation from time to time. But there had been some inevitable delays because it is a new Corporation. It has not yet been possible to lay down the programme and to stick to it."

7.12. In reply to a question, Part-time Chairman of the Corporation and the Chief Commissioner, Andaman and Nicobar Islands stated that the Corporation came into existence in 1977 and that the Corporation was now preparing an accounts Manual in which the time schedule for preparation and laying of the Report in time was being laid down. He further stated that the Andaman and Nicobar Islands were the remotest parts of the country and the constraints of communication were tremendous. The Auditors came from the mainland and printing had also to be done in the mainland. However, efforts were being made to streamline the whole procedure.

7.13. In reply to another question whether the delay was due to the non-appointment of auditors in time or printing or due to some other reasons, the witness stated :

"In the initial years, in the first and second years, there was delay in the

appointment of auditors. Now what we are doing is that we move the Company Law Board in time for appointment. After appointment, the auditors who are invariably from the mainland have to go there. It takes a little time. The accounts are seen by the Board. In the Board, some Directors are from Delhi and sufficient notice has to be given for their assembling. After that the government auditors come. The printing part also unfortunately has been taking some time. It takes about three or four months for Hindi translation, proof reading and printing. The printing is done at Calcutta. For proof reading, the papers have to be sent to Port Blair. We are trying to streamline the whole thing and cut down the delay to the extent possible within the constraints there."

7.14. When enquired about the guidelines laid down for avoiding delay in laying the Annual Report before Parliament within the stipulated period, the witness stated :

"We are trying to lay down a schedule and stick to it. For the appointment of auditors, we will approach the Company Law Board well in time so that as soon as the financial year is over, auditing can start. Similarly we are making efforts to streamline the procedure regarding printing."

7.15. When asked about the difficulty in appointing the auditors before the completion of the year, the representative of the Ministry stated :

"We have been requesting the Law Ministry to appoint the auditors well in time. For this year we did in March. For 1978-79, it was done in February. We have been doing that before the close of the financial year. After the financial year is over, it takes some time for us to prepare our accounts. For 1980-81 we requested for appointment of auditors in March. The auditors were appointed in June. The audit was commenced in July. The Board has approved the accounts in December. This is an improvement over the previous year. Last year we could do only in February."

7.16. When asked about the dates of finalisation of accounts by the Corporation for the years 1977-78, 1978-79, 1979-80 and 1980-81, the representative of the Corporation stated that it might not be possible to complete the accounts by 31st March but efforts would be made to complete the same within three months of the close of the year. He further added that as the main project of the Corporation was in an island called Little Andamans which was about 67 nautical miles away from Port Blair, the Corporation had some difficulty in getting the accounts finalised. He informed the Committee that efforts would be made to reduce the time. As regards the timelag between the request for

appointment and the actual appointment of auditors, the witness stated, *inter alia*, as under :

“I shall explain what is the timelag in each of the appointment. For example in 1977-78, we had sent the communication on 12.6.1978. The date of appointment of the statutory auditor was on 20.9.1978—the timelag has been about 3½ months. The experience for 1978-79 was that we approached them on 14.2.1979 and the date of appointment by the Company Law Board was 30.7.1979—the timelag was about 5½ months. Our experience for 1979-80 had been that we approached them on 16.11.1979 and the appointment was made on 22.3.1980 that is, the timelag was about 4 months. For the year 1980-81 we approached them on 4.3.1981 while the appointment of the statutory auditor was on 2.6.1981—the timelag was nearly three months. This is the first stage of the appointment of the auditor by the Ministry of Law. We are required to approach them every year like this.”

7.17. While giving the details regarding the commencement and completion of audit of accounts of different years, the witness stated :

“For the year 1977-78, the Board appointed the auditor on 20.9.1978. Thereafter, they began the audit. Let me split this into two parts—first is the date when the audit was commenced and second is the date when it was completed. They commenced the audit on 24.11.1978 for 1977-78—(2 months after the date of appointment)—they completed the audit on 14.12.1978. It was 20 days after the commencement of the audit. For the second year—1978-79—the appointment was made on 30.7.1979 but the audit was commenced on 31.10.1979—three months after the appointment; the audit was completed in December, 1979 and for the year 1979-80, the appointment was made on 22.3.1980 but the audit was commenced on 3.7.1980, three months after the appointment of the auditor. The audit was completed on 27.1.1981, that is, seven months after the commencement of the audit.”

7.18. In regard to a suggestion that the Company Law Board should be approached in the beginning of the year for the appointment of auditors, the witness replied, “we will do so.”

7.19. When pointed out that the auditing of accounts for 1979-80 of Little Andamans could not be completed by the Auditors in July, 1980 because the accounts were not ready, the Chief Commissioner stated, *inter alia*, as follows :

“.....this was the only case of the type in the four to five years' period—there was a special circumstance. The project manager met

with a serious accident. There was a delay as a result of it. We note down the point. It will not occur again."

7.20. On his attention being drawn to the delay of 8 months, as per recommendation of the Committee made in para 4.16 of their Second Report of Fifth Lok Sabha, in laying the statement explaining the reasons for not laying the Annual Report, audited accounts and Audit Report thereon of the Corporation for the year 1979-80, the representative of the Ministry of Agriculture stated :

"The reasons for the delay were asked for from the Corporation itself in the month of April. But, we received them only in the month of May in the Ministry. The delay of eight months was in the Ministry and the Corporation, both combined together. We submitted that in the month of August to the Lok Sabha and Rajya Sabha. There has been some delay in this. We may assure you that this delay will not recur in future."

7.21. On his attention being drawn to the fact that the Annual Report for 1977-78 was twice returned to the Corporation, *i. e.* first time for removing some discrepancies pointed out by the Minister of Agriculture and second time for deleting several irrelevant references pertaining to the period beyond the year 1977-78, the representative of the Ministry submitted :

"It is a fact that first time the Report was submitted to the Minister he pointed out certain deficiencies in that and the same were got rectified by the Corporation. Second time again certain discrepancies came to notice and they were got rectified. This does not generally happen that we have to refer the matter to the Corporation twice. We will be more careful in future."

7.22. In reply to a question whether the Ministry had any cell to see that the Reports were laid on the Table of the House within the stipulated period, the witness informed that there was no such separate cell. When further enquired how the Ministry ensured that the delay did not take place, the witness replied that various officers were allotted that work. He, however, informed that the Annual Report for 1979-80 would be laid on the Table in the next session, *i. e.* Eighth Session of Seventh Lok Sabha.

7.23. Asked why the Ministry could not set up a separate cell to coordinate all action regarding appointment of auditors and printing of the Annual Reports, the representative of the Ministry stated :

"Since we have only one Corporation it may be rather too much to have one special and separate cell for that work is allotted to

Deputy Inspector General of Forest and also Under Secretary and sections concerned."

7.24. In reply to a question if the Ministry could assure that Committee that the Annual reports of the Corporation would be laid on the Table in time in future. The Inspector General of Forests informed that as compared to other Corporations the Andaman and Nicobar Islands Forest and Plantation Development Corporation would take more time because of its special position. Intervening at that stage the Chief Commissioner, Andaman and Nicobar Islands stated :

"There has definitely been improvement made over the years. The existing procedures and methods will be further streamlined and improved. I think in the near future we should be able to adhere to the time limit and be as near to the time limit as possible ; and we will endeavour our very best in this regard ; and I give this assurance on behalf of the Corporation."

7.25. On 18 February, 1982, the Minister of Agriculture laid on the Table of Lok Sabha, the Annual Report and Audited Accounts of the Corporation for the year 1979-80 after a delay of 13½ months. The delay statement had been laid on the Table on 17 August, 1981 (Appendix - II).

7.26. On 25 February, 1982, the Minister of Agriculture laid on the Table of Lok Sabha a Statement (Appendix III) explaining the reasons for not laying the Annual Report together with the Audited Accounts and Audit Report of the Corporation for the year 1980-81 within the stipulated period. The Annual Report for 1980-81 was however laid on the Table of Lok Sabha on 11 October, 1982.

7.27. On 22 February, 1983, the Minister of Agriculture laid on the Table of Lok Sabha a statement (Appendix IV) explaining the reasons for not laying the Annual Report of the Corporation for the year 1981-82 on the Table within the prescribed period. The Annual Report of the Corporation was however laid on the Table of Lok Sabha on 22 August, 1983,

7.28. The Committee are distressed to note that the Annual Reports together with Audited Accounts and Audit Reports thereon of the Andaman and Nicobar Islands Forest and Plantation Development Corporation Limited, Port Blair for the years 1977-78, 1978-79, 1979-80, 1980-81 and 1981-82 were laid on the Table of Lok Sabha as late as on 17 November, 1980, 23 February, 1981, 18 February, 1982, 11 October, 1982 and 22 August, 1983, respectively, *i. e.* after a delay of 22½ months, 14 months, 13½ months, 9½ months and 8 months, respectively. The Committee regret to observe that there has never been an occasion in the past when the Annual Reports and Audited Accounts of the Corporation had been

laid on the Table of the House in time, *i. e.* within 9 months of close of the accounting year.

7.29. From the information furnished by the Ministry of Agriculture, the Committee find that delay had occurred almost at every stage of the Annual Reports and accounts of the Corporation for the years from 1977-78 to 1981-82. However, in the case of Annual Reports and accounts for the year 1977-78, apart from other reasons, the delay had also occurred because the Annual Reports and Audited Accounts had to be returned by the Ministry of Agriculture to the Corporation twice for removing certain discrepancies noticed therein. The Committee feel that the Annual Report of the Corporation had not been prepared with due care. The Committee hope that every care would be taken to ensure that the Annual Reports of the Corporation are complete in every respect before their submission to the Ministry for laying on the Table of the House.

7.30. The Committee further note that in the case of Annual Report and Audited Accounts for the year 1979-80, the delay, among other reasons, occurred because the accounts of the Little Andaman pertaining to that year were not ready in time as the Project Manager had met with an accident. It gives an impression that the Project Manager was the only officer who could compile the accounts. The Committee feel that, during the absence of the Project Manager, there must have been some other responsible officer looking after the duties of the Project Manager and the concerned staff charged with maintaining the accounts at Little Andaman. The Committee urge upon the Ministry of Agriculture to impress upon the Corporation to ensure timely finalisation of its accounts and do not advance such stereotyped reasons as are not at all convincing.

7.31. The Committee are of the opinion that with a view to eliminating delay at various stages of the Annual Report and Accounts, the Corporation should approach the Company Law Board sufficiently in advance to ensure that the Statutory Auditors are appointed and their remuneration settled before the close of the accounting year so that the audit work can be commenced in time. The Corporation should also maintain proper accounts so as to help expeditious auditing of the accounts. After audit of accounts by the Statutory Auditors is over, the Comptroller and Auditor General should immediately be approached for his comments on the accounts. On receipt of comments of Comptroller and Auditor General, the Annual General Meeting should be called forthwith to consider and approve the Annual Reports, Audited Accounts and comments of Comptroller and Auditor General. As regards printing of the Annual Report and Audited Accounts, arrangements should be made in advance and the press should be instructed to print the requisite number of copies of the Reports and Accounts within the specified time so that no delay occurs on that account.

7.32. In order to complete all stages within the maximum prescribed time, the Committee feel that a time schedule is all the more necessary. The Committee, therefore, urge upon the Ministry of Agriculture to draw up a

time schedule in consultation with the Andaman and Nicobar Islands Forest and Plantation Development Corporation Limited, Port Blair, in such manner that all formalities are completed and the Annual Report and Audited Accounts laid on the Table of the House within 9 months of close of the accounting year as recommended by the Committee on Papers laid on the Table in paragraph 4.16 of their Second Report (Fifth Lok Sabha).

NEW DELHI ;

*12 December, 1983*

*21 Agrahayana, 1905 (Saka)*

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KRISHNA SAHI,

*Chairman,*

*Committee on Papers laid on the Table.*



**APPENDIX I**  
*(Vide para 2.4 Chapter II)*

NEW DELHI-110001  
the 12th January, 1978

**RESOLUTION**

Despite the safeguards provided in the Constitution and the laws in force, there persists amongst the minorities a feeling of inequality and discrimination. In order to preserve secular traditions and to promote national integration, the Government of India attaches the highest importance to the enforcement of the safeguards provided for the minorities and is of the firm view that effective institutional arrangements are urgently required for the effective enforcement and implementation of all the safeguards provided for the minorities in the Constitution, in Central and State laws, and in Government policies and administrative schemes enunciated from time to time.

2. The Government of India has, therefore, resolved to set up a Minorities Commission to safeguard the interests of minorities whether based on religion or language.

3. The Minorities Commission shall consist of a Chairman and two other Members, whose term of office would not ordinarily exceed three years. The officer appointed as Special Officer in terms of Article 350B of the Constitution will function as the Secretary of the Commission.

4. The Commission shall be entrusted with the following functions :—

- (i) To evaluate the working of the various safeguards provided in the Constitution for the protection of minorities and in laws passed by the Union and State Governments;
- (ii) to make recommendations with a view to ensuring effective implementation and enforcement of all the safeguards and the laws;
- (iii) to undertake a review of the implementation of the policies pursued by the Union and the State Governments with respect to the minorities;
- (iv) to look into specific complaints regarding deprivation of rights and safeguards of the minorities;

- (v) to conduct studies, research and analysis on the question of avoidance of discrimination against minorities;
  - (vi) to suggest appropriate legal and welfare measures in respect of any minority to be undertaken by the Central or the State Government;
  - (vii) to serve as a national clearing house for information in respect of the conditions of the minorities; and
  - (viii) to make periodical reports at prescribed intervals to the Government.
5. The headquarters of the Commission will be located at Delhi.

6. The Commission will devise its own procedure in the discharge of its functions. All the Ministries and Departments of the Government of India will furnish such information and documents as may be required by the Commission from time to time. The Government of India trusts that the State Governments and Union Territory Administrations and other concerned will extend their fullest cooperation and assistance to the Commission.

7. The Commission will submit an Annual Report to the President detailing its activities and recommendations. This will, however, not preclude the Commission from submitting Reports to the Government at any time they consider necessary on matters within their scope of work. The Annual Report together with a memorandum outlining the action taken on the recommendations and explaining the reasons for non-acceptance of recommendations, if any, in so far as it relates to the Central Government will be laid before each House of Parliament.

#### ORDER

ORDERED that a copy of this Resolution be communicated to all Ministries and Departments of the Government of India, State Governments and Union Territory Administrations, etc.

ORDERED also that the Resolution be published in the Gazette of India for general information.

Sd/—Maheshwar Prasad  
Additional Secretary  
to the Government of India.

## APPENDIX II

(Vide para 7.8 Chapter VIII)

### MINISTRY OF AGRICULTURE DEPARTMENT OF AGRICULTURE & COOPERATION

*Statement to be Laid on the Tables of both the Houses of parliament giving reasons why the Annual Report together with the audited accounts and Audit Report for the year 1979-80 of the Andaman and Nicobar Islands Forest and Plantation Development Corporation, Port Blair could not be Laid on the Table of the House within the stipulated period.*

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The Annual Report together with the audited accounts and audit Report for the year 1979-80 in respect of the Andaman and Nicobar Islands Forest and Plantation Development Corporation could not be laid on the table of the House within the stipulated period *i. e.* by the end of 31st December, 1980. The reasons for the delay are given in chronological order below :—

1. The Corporation requested the Company Law Board for appointment of Auditors on 16.1.1979 and another reference was subsequently made to them on 7.1.1980.
2. The Company Law Board appointed M/s G. Chatterjee and Co. Chartered Accounts as Auditor for the financial year 1979-80 on 22nd March, 1980.
3. The Corporation received the said letter on 26.3.1980 and informed M/s G. Chatterjee & Co. accordingly on 1-4-1981.
4. M/s G. Chatterjee and Co. submitted a representation to the Company Law Board on 16th March, 1980 with a copy to the Corporation that their fee should be raised to Rs. 10,000/- from Rs. 3,000/-

5. A copy of that letter was placed before the Board of Directors on 25.4.1980. The Board considered the request of M/s. G. Chatterjee & Co. and agreed to raise the fee from Rs. 3,000/- to Rs. 6,000/-.
6. A telegram was sent to M/s. Chatterjee & Co. on 26th April, 1980 communicating the decision of the Board.
7. Further on 14-5-1980 a telegram was sent to M/s. G. Chatterjee & Co. for taking up the audit work expeditiously.
8. On 19th May, 1980, M/s. G. Chatterjee & Co. Chartered Accountants informed the Corporation that they are agreeable to take up the Audit work at a fee of Rs. 6,00/-
9. On 26th May, 1980 M/s. G. Chatterjee & Co. were again requested to take up work as early as possible.
10. M/s. G. Chatterjee & Co. acknowledged the receipt of the Corporation's letter on 2.6.1980 and proposed to take up the work on 1st July, 1980.
11. M/s. G. Chatterjee & Co. took up the work from 1st week of July, 1980.
12. Shri A. Kayes Partner of M/s, G. Chatterjee & Co. took up the Audit work of the head office from the middle of July, 1980.
13. Two Assistants of M/s. G. Chatterjee & Co. left for little Andaman on 27th July, 1980 but auditing could not be completed as the account was not ready.
14. Subsequently on 29th September, 1980 the Corporation requested M/s. G. Chatterjee & Co. to take up the work and again reminders were sent to them from time to time.
15. Shri A. Kayes, Partner of G. Chatterjee & Co. took up the work from the Middle of January, 1981 and completed the same by the end of January, 1981.
16. As required under the provisions of Sec. 215 of Company's Act, 1956 the Balance Sheet, Profit and loss Account were placed before the Board of Directors for authentication on 4th February, 1981. The Board adopted the accounts and authorised two Directors and Company Secretary to sign the same.
17. The Balance Sheet, Profit and Loss Account was sent to M/s. G. Chatterjee & Co. on 9th February, 1981.
18. M/s. G. Chatterjee & Co. sent their Draft Report on 23.2.1981, which was received by the Corporation on 28.2.1981.

19. The Corporation returned the 'Draft Report' with the Corporation's Comments to M/s. G. Chatterjee and Co. on 5.3.1981.
20. M/s. G. Chatterjee and Co. certified the accounts on 16th March, 1981.
21. M/s. G. Chatterjee and Co. has submitted one copy of the accounts to the Director of Commercial Audit (Coal), Calcutta.
22. The Director of Commercial Audit (Coal), Calcutta will now take up the Audit and issue Report under section 619 (4) of the Company's Act, 1956.
23. On receipt of the Director of Commercial Audit (Coal) Calcutta's report, the Corporation will call the adjourned Annual General Meeting of the Corporation and place the Report together with the accounts to the shareholders.

In the circumstances, explained above, it was not possible for the Corporation to lay the Annual Report together with the audited accounts and audit Report on the table of the House within 9 months from the close of the accounts for 1979-80.

## APPENDIX III

(Vide para 7.26 of Chapter VII)

*Statement to be Laid on the Tables of both the Houses of Parliament giving reasons why the Annual Report together with the audited accounts and Audit Report for the year 1980-81 of the Andaman and Nicobar Islands Forest and Plantation Development Corporation, Port Blair could not be Laid on the Table of the House within the stipulated period.*

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The Annual Report together with the audit account and audit Report for the year 1980-81 in respect of the Andaman and Nicobar Islands Forest and Plantation Development Corporation could not be laid on the table of the House within the stipulated period *i.e.* by the 31st December, 1981. The reasons for delay are given in chronological order below :—

1. In the Board of Directors meeting held on the 4th February, 1981, the remuneration for the Auditors for auditing the accounts of the Corporation for the year 1980-81 was fixed and was communicated to the Company Law Board on 4.3.1981.
2. The Comptroller and Auditor General of India, however, wanted to know the details of services rendered by the Auditors. C.A.G's letter was acknowledged by the Corporation on 22.4.1981.
3. On the 20th April, 1981, the Company Law Board acknowledge the receipt of Corporation's letter of 4th March, 1981 and sent to the Corporation a proforma to be completed. This letter was received by the Corporation on 25th April, 1981. The Corporation furnished the required information to the Company Law Board on 27.4.1981.
4. A telegram was sent to the Company Law Board requesting them to expedite the appointment of Auditors and it was followed by Corporation letter of 23.5.1981. They were also reminded in the matter on 1.6.1981.
5. The Company Law Board informed the Corporation on 2.6.1981 that M/s. Roy and Bagchi, Chartered Accountants have been appointed as Audi-

tors for the year 1980-81. This letter was received by the Corporation on 12.6.1981.

6. On 15th June, 1981, the Corporation informed M/s. Roy and Bagchi about their appointment and also sent a certified true copy of the resolution adopted by the Board of Directors fixing their remuneration along with the list of Directors. A copy of this letter was also endorsed to the Company Law Board.

7. The Corporation received a letter of 13.6.1981 from M/s. Roy and Bagchi requesting it to furnish the name and address of the previous Auditors and also enquiring about the position of the accounts and asking for certified copy of the Balance sheet for the year 1979-80. This letter of M/s. Roy and Bagchi acknowledged by the Corporation on 20.6.1981.

8. M/s. Roy and Bagchi, Chartered Accounts took up the audit work on 18th July, 1981 and this was communicated to the Company Law Board on 18.7.81 by the Corporation with a copy to the Director of Commercial Audit.

9. Throughout July and August, 1981, M/s. Roy and Bagchi conducted Audit in the Managing Director's office at Port Blair.

10. On the 4th September, 1981 the Corporation requested M/s. Roy and Bagchi to finalise the Audit as soon as possible.

11. Two partners of M/s. Roy and Bagchi came from Calcutta on the 16th October, 1981 and left for Calcutta on the 30th October, 1981. During this period they were exclusively conducting the audit of the Corporation. One of their Assistants visited Hut Bay in the last week of October 1981 to check the records at the project office there. As some of the information was not readily available, they could not finalise the report and they left for the mainland. Subsequently on 1.12.1981 the Company Secretary-cum-Chief Accounts Officer and the Accountant were sent to Calcutta to get the report finalised and they returned back on 8.12.1981 after getting the reports finalised.

12. The Board of Directors of the Corporation approved the Accounts on 29.12.1981 and M/s. Roy and Bagchi Statutory Auditors signed the Accounts on 2.1.1982.

13. The Director of Commercial Audit (Coal), Calcutta has informed that he will not review the Report of the Statutory Auditors and as such he has no comments to make under Sec. 619(4) of the Companies Act, 1956.

14. The Adjourned Annual General Meeting of the Corporation will be held in the near future in which the Accounts will be presented before the Shareholders.

## APPENDIX IV

(Vide para 7.27 of Chapter VII)

*Statement to be Laid on the Tables of both the Houses of Parliament giving reasons why the Annual Report together with the audited accounts and Audit Report for the year 1981-82 of the Andaman and Nicobar Islands Forests and Plantation Development Corporation Port Blair could not be Laid on the Tables of the Houses with in the stipulated period.*

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The Annual Report together with the audited accounts and Audit Report for the year 1981-82 in respect of the Andaman and Nicobar Islands Forest and Plantation Development Corporation could not be laid on the table of the House within the stipulated period *i.e.* by 31st December, 1982. The reasons for delay are given in chronological order as under :—

1. The Corporation requested the Company Law Board on 15.1.82 to appoint the Auditors for the year ending 31.3.1982 together with a copy of the resolution adopted in the Board of Directors meeting held on 29th December, 1981 and other relevant information.

2. Company Law Board appointed M/s. Roy & Bagchi, Chartered Accountants, Port Blair as Auditors for the financial year 1981-82 on 5.2.1982.

3. The Corporation informed M/s. Roy and Bagchi about their appointment on 26.2.82.

4. The Corporation requested M/s. Roy and Bagchi on 18.6.82 to inform as to when they will take up the audit. They were reminded on 30.6.1982 to take up the audit immediately.

5. M/s. Roy and Bagchi, Chartered Accountant informed the Corporation on 7th July, 1982 that they will take up the work at an early date.

6. Another telegram was sent to M/s. Roy & Bagchi on 30th July, 1982 to take up the work immediately.



7. From 31st July, 1982, two-Assistants from M/s. Roy and Bagchi took up the work. On 10th August, 1982 they were requested to depute some senior person to take up the audit. They were reminded on 17th August, 1982 to take up the work immediately.

8. A telegram was again sent on 10th September, 1982 to M/s. Roy & Bagchi to expedite the work.

9. On 11th/13th September, 1982, M/s. Roy & Bagchi were requested to finalise the accounts as early as possible on the basis of draft handed over to them on 2.9.82. They were again reminded on 21.9.1982 and 22.9.1982.

10. The Company Law Board was also informed about the latest position on 22nd September, 1982.

11. A telegram was sent to M/s. Roy and Bagchi on 22nd Sept., 1982 informing that schedules have been handed over to their assistants who were working at Port Blair.

12. M/s. Roy & Bagchi, Chartered Accountants sent a letter on 16th September, 1982 which was received on 22nd September, 1982 indicating that as soon as the accounts are audited by their assistants, a senior person will call on the Corporation to finalise the accounts.

13. The Company Secretary who was on tour to mainland also called on M/s. Roy & Bagchi on 24th and 28th September, 1982 requesting them to finalise the accounts as early as possible. On 27.9.1982, M/s. Roy and Bagchi asked for schedules, statements and other particulars.

14. The Company Law Board was informed about the progress of audit on 4th October, 1982.

15. M/s. Roy and Bagchi, Chartered Accountants wrote a letter on 23rd September, 1982 which was received by the Corporation 1.10.1982 to authenticate the accounts under Section 215 of the Companies Act, 1956.

16. M/s. Roy & Bagchi requested the Corporation on 27th September, 1982 to submit various returns, statements, etc.

17. Another reminder was sent on 16th October, 1982 to M/s. Roy & Bagchi for finalisation of the account.

18. A letter dated 12th October, 1982 from M/s. Roy & Bagchi was received on 20th October, 1982 requesting for authenticating the accounts.

19. Shri S.R. Mallick, Partner of M/s. Roy & Bagchi took over the audit on 2nd November, 1982 and finalised the same by 11th November, 1982.

20. The Board authenticated the accounts on 20th November, 1982 and authorised the Managing Director, one Director and the Company Secretary

cum-Chief Accounts Officer to sign the accounts. The signed accounts were sent to M/s. Roy and Bagchi on 22.11.82.

21. M/s. Roy and Bagchi signed the accounts on 23.11.1982 and returned the same to the Corporation on 25th November, 1982.

22. The Director of Commercial Audit (Coal), Calcutta also took up the audit from 15th November, 1982 and conducted the audit till 5th December, 1982.

23. On receipt of the report of the Director of Commercial Audit (Coal), Calcutta under Section 619(4) of the Companies Act, 1956, the Corporation will call a meeting of the Board of Directors to consider the audit report of M/s. Roy and Bagchi and also the Director of Commercial Audit (Coal), Calcutta.

24. The Corporation will then call the adjourned Annual General meeting and present the Accounts before the shareholders for adoption.

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## APPENDIX V

### 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.	1.26.	The Committee note that the Annual Reports of the Council of Scientific and Industrial Research, New Delhi for the years 1976-77, 1977-78, 1978-79, 1979-80, 1980-81 and 1981-82 were laid on the Table of Lok Sabha after a delay of 3 months, 2½ months, 16 months, 4 months, 6½ months and about 3½ months, respectively, and the Annual Accounts and Audit Reports thereon for those years after a delay of 26½ months, 28 months, 16 months, 14 months, 10 months and 3½ months, respectively.
2.	1.27.	From the information furnished by the Department of Science and Technology, the Committee find that after receipt of final Audit Reports for the years 1976-77 to 1980-81 the Council took 2 months to 4 months in holding the meeting of its Governing Body and 6 months to one year thereafter in holding the meeting of the Society to adopt its Audited Accounts. The argument advanced by the Department of Science and Technology that the delay in holding meeting of the Society occurred because the Prime Minister is the President of the Society and the meetings of the Society are held depending upon the convenience of the President, does not appear to be convincing. In this connection, the Committee have noted the following provisions of Rule 22 of the Rules and

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**Regulations of the Council of Scientific and Industrial Research :**

“If the President is not present at the meeting of the society, the Vice-President shall be Chairman of the meeting. If the President and Vice-President are both not present, any member of the Governing Body appointed by the President in writing shall be Chairman of the meeting, but if there shall be no member appointed as aforesaid present or willing to take the Chair, the members of the Society shall choose one of the members present to be the Chairman of the meeting.”

The Committee feel that, had the Council been vigilant and had followed provisions of the above rule, the delay in holding the sittings of the Society could have been minimised to a great extent. The Committee, however, note with satisfaction that the time gap between the dates of meetings of the General Body and the Society has been considerably reduced to 2 months in the case of Audited Accounts of the Council for the year 1981-82 with the result that the delay in laying them has also come down to 3½ months only. The Committee hope that, in future, the Council of Scientific and Industrial Research would be very careful and would ensure that the meetings of both the Governing Body and Society are held soon after receipt of its Audit Reports so that the delay is totally eliminated.

- 1.28. The Committee further note that the Annual Reports and Audited Accounts of the Council of Scientific and Industrial Research have not been laid together on the Table of the House except in the cases of Annual Reports and Audited Accounts for the years 1978-79 and 1981-82. The Committee find that the gap between the dates of laying of Annual Reports and Audited Accounts for the years 1976-77, 1977-78, 1979-80 and 1980-81 was 11½ months, 13 months, 10 months and about 3½ months, respectively. The Committee need hardly point out that the laying of Annual Reports and Audited Accounts on different dates deprives the Members of Parliament from the information being available simultaneously about the achievements
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made by the organisation with the funds granted to it during a year. The Committee desire the Department of Science and Technology to take necessary remedial steps to ensure that both the Annual Report and Audited Accounts of the Council of Scientific and Industrial Research are laid together on the Table of the House within 9 months of the close of the accounting year.

4. 2.8. The Committee note that the Third Annual Report of the Minorities Commission pertaining to the year ended 31 December, 1980, which in terms of the recommendation made by the Committee on Papers laid on the Table (Fifth Lok Sabha) in paragraph 1.17 of their First Report should have been laid on the Table of the House by 30 June, 1981, was actually laid on the Table of Lok Sabha on 3 August, 1982. The said Report, thus, involved delay of 13 months which can neither be construed as reasonable nor can it be justified.
5. 2.9. From the information furnished by the Ministry of Home Affairs the Committee find that their aforementioned recommendation had not been brought to the notice of the Minorities Commission. The Committee do agree with the Ministry of Home Affairs that the Minorities Commission enjoy a considerable degree of autonomy in the discharge of its functions but it cannot be interpreted to mean that the Annual Reports of the Commission could be delayed to any length of time. The Committee need hardly point out that it is obligatory on the part of the Ministry of Home Affairs who are concerned in the matter, to ensure that the reports of organisations for which they are administratively responsible are laid on the Table of the House in time. The Committee have no doubt that had the Ministry of Home Affairs communicated the recommendation of the Committee to the Commission earlier and taken urgent steps to get the Report printed and translated into Hindi, much of delay could surely have been obviated.
6. 2.10. The Committee note that in future the Reports of the Commission would conform to the financial year, i.e. from 1 April to 31 March. The Fourth and Fifth Annual
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Reports of the Commission for the years ended 31 March, 1982 and 31 March, 1983, respectively, which were required to be laid on the Table by 30 September, 1982 and 30 September 1983, respectively, have not so far been laid. The Committee would urge the Ministry of Home Affairs to impress upon the Minorities Commission the need for timely laying of its Annual Reports on the Table of the House. The Committee hope that necessary steps would be taken to see that the Fourth and Fifth Annual Reports of the Commission are laid on the Table of the House without any further delay.

7. 2.11. The Committee reiterate their recommendation made in paragraph 1.17 of their First Report (Fifth Lok Sabha) and hope that the Ministry of Home Affairs would comply therewith in letter and spirit in future in the matter of laying of Annual Reports of the Minorities Commission on the Table of the House.
8. 3.9. The Committee note that the laying of Annual Reports and Audited Accounts of the Gandhi Darshan Samiti, New Delhi for the years 1980-81 and 1981-82 on the Table of Lok Sabha was delayed by 6½ months and 4½ months respectively.
9. 3.10. From the information furnished by the Ministry of Education and Culture (Department of Culture) the Committee find that the Annual Report and Audited Accounts of the Gandhi Darshan Samiti for the year 1980-81 were ready with the Samiti in March, 1982. These could have been laid on the Table of the House during the Session which was held from 18 February to 30 April, 1982. The reason advanced by the Ministry that due to the time taken in finalisation of the 'Statement of reasons for delay' is hardly convincing. The Committee feel that the Ministry of Education and Culture (Department of Culture) had not taken adequate precautionary measures to see that the Annual Report and Audited Accounts which had already got delayed, should not be delayed further. The Committee hope that the Ministry would be more careful in this regard, in future.
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| 10. | 3.11. | <p>The Committee note that the Samiti took 4 months in compiling its accounts for the year 1981-82 and thereafter about 8½ months in completing other formalities such as getting the accounts audited, compilation of the Annual Report, translation and printing of the Annual Report and Audited Accounts and laying them on the Table of the House. The Committee regret to observe that their recommendation contained in paragraph 3.5 of their First Report (Fifth Lok Sabha) has not been complied with. The Committee need hardly point out that in order to ensure laying of the Annual Reports and Audited Accounts of the Samiti within the time limit laid down by the Committee in their aforementioned recommendation, a time schedule is imperative for completion of all actions in time at various stages of the Reports and Accounts. The Committee, therefore, recommend that the Ministry of Education and Culture (Department of Culture) should, in consultation with the Gandhi Darshan Samiti, draw up a time schedule for the finalisation of the accounts and their auditing, compilation of Annual Report, translation printing and approval of the Annual Report and Audited Accounts by the Samiti so that these are laid on the Table of the House within 9 months of the close of accounting year.</p> |
| 11. | 4.8.  | <p>The Committee note that the Annual Reports and the Audited Accounts of the National Buildings Construction Corporation Limited for the years 1980-81 and 1981-82 were laid on the Table of Lok Sabha on 9 August, 1982 and 5 May, 1983 after a delay of 7½ months and 4½ months, respectively.</p>  |
| 12. | 4.9.  | <p>From the information furnished by the Ministry of Works and Housing and the statements of reasons for delay laid alongwith the Annual Reports and Audited Accounts of the Corporation for the years 1980-81 and 1981-82, the Committee find that the delay occurred mainly due to finalisation of the accounts and printing of the Annual Reports and Accounts. The Committee appreciate the difficulties faced by the Corporation in getting the accounts of its units abroad audited in time due to outbreak of hostilities between Iraq and Iran but</p>   |
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		they feel that the delay could have been minimised, if not totally eliminated, by ensuring that the printers commenced printing the Annual Reports adequately in advance of the work schedule.
13.	4.10.	As a further measure to ensure timely printing of the Annual Reports and Audited Accounts of the Corporation, the Committee are of the view that action should be taken in advance to select renowned printers noted for their efficiency and punctuality for the purpose and to settle the rates of printing with them for their job requirements so that no time is lost in protracting the negotiations with them till the eleventh hour.
14.	4.11.	The Committee trust that the Ministry of Works and Housing would make all-out efforts to ensure timely finalisation of accounts of the Corporation and their auditing, compilation of the Annual Report, translation and printing of the Annual Report and Audited Accounts and their adoption by the shareholders so that they are laid on the Table of the House within 9 months of the close of the accounting year as recommended in paragraph 4.16 of the Second Report of the Committee on Papers laid on the Table (Fifth Lok Sabha).
15.	4.12	The Committee note that the Annual Reports and the Audited Accounts of the Bridge and Roof Company (India) Limited, Calcutta for the years 1979-80 and 1980-81 were laid on the Table of Lok Sabha on 2 March 1982 and 22 March, 1983 after a delay of 14 months and 14½ months, respectively. The Committee find from the statements explaining reasons for delay and the information furnished subsequently by the Ministry of Petroleum, Chemicals and Fertilizers that the delay had occurred mainly due to delay in finalisation of the accounts of the Company for the earlier year, <i>i. e.</i> 1978-79. The Committee also note that the delay is of a recurring nature. The Committee cannot but express their strong displeasure over the recurring nature of such delay and feel that much of the delay could have been avoided if the Ministry and the Company had been vigilant and had taken up the question of delay with the Auditors for expeditious auditing of the accounts.



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16.	5.5.	In order to eliminate such delay in future, the Committee recommend that the Ministry of Petroleum should, in consultation with the Bridge and Roof Company (India) Limited, draw up a detailed time schedule for the finalisation of the accounts and their auditing, compilation of the Annual Report, translation, printing and approval of the Annual Report and Audited Accounts of the Company and strictly adhere to it so that these documents are laid on the Table of the House within 9 months of the close of the accounting year as recommended by the Committee in paragraph 3.5 of their First Report (Fifth Lok Sabha).
17.	5.6.	The Committee note that the Annual Report and Audited Accounts of the Company for the year 1981-82, which were required to be laid on the Table of the House by the end of December, 1982, are yet to be laid. The Committee would like the Ministry to take urgent steps to lay the said Annual Report and Accounts without any further delay. The Committee hope that the Ministry would strictly observe the guidelines laid down by the Committee and lay the Annual Reports and Audited Accounts of the Company in time, in future.
18.	6.10.	The Committee note that the Annual Reports of the Indian Institute of Management, Calcutta for the years 1979-80, 1980-81 and 1981-82 were laid on the Table of Lok Sabha on 6 April, 1981, 22 April, 1982 and 31 March, 1983. respectively <i>i. e.</i> after a delay of 3 months, 4 months and 3 months respectively. The Audited Accounts and Audit Reports for these years were laid on 24 December, 1981, 7 October, 1982 and 4 August, 1983 respectively <i>i. e.</i> after a delay of 12 months, 9 months and 7 months respectively.
19.	6.11.	The Committee also note that the Institute took 4½ months time, instead of 3 months, after the close of the year in compiling its accounts for the year 1979-80 and the Audit took 11 months time thereafter to make available the final Audit Report for that year to the Institute. The Committee urge the Ministry of Education and Culture that they should, in consultation with the Indian Institute of Management, Calcutta, draw up a time schedule

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for completing all the formalities like compiling of accounts, their auditing, translation, printing, adoption of Annual Report and Audited Accounts by the Institute and laying the same on the Table of the House, within nine months as recommended by the Committee in paragraph 3.5 of their First Report (Fifth Lok Sabha). The Committee hope that the Ministry of Education and Culture would also impress upon the Audit to audit the accounts of the Institute in time so that no delay is caused in laying the Audited Accounts on the Table of House.

20. 6.12 The Committee regret to note that the statements explaining reasons for delay laid along with Annual Reports and Audited Accounts for the years 1979-80, 1980-81 and 1981-82 do not spell out the full information regarding the time taken at various stages of the accounts. The Committee need hardly stress that the statements of reasons for delay should contain information, in chronological order setting forth the dates of compilation of Accounts, their submission to Audit, receipt of draft Audit Report, replies given to audit queries, receipt of final Audit Report, translation and printing of Audit Report and Accounts, adoption of the Annual Report and Accounts and their submission to the Ministry for laying on the Table of the House, so that the House may identify the stage, causes and extent of delay and suggest remedial measures wherever required.
21. 6.13. The Committee also note that the Annual Reports and Audited Accounts of the Indian Institute of Management, Calcutta are not being laid together whereas in the cases of other two Institutes *i. e.* (i) Indian Institute of Management, Ahmedabad and (ii) Indian Institute of Management, Bangalore, both the documents are laid together in the House. The Committee hope that the Ministry of Education and Culture would impress upon the Indian Institute of Management, Calcutta to submit both the documents to the Ministry together so that these are laid on the Table of the House simultaneously.
22. 7.28. The Committee are distressed to note that the Annual Reports together with Audited Accounts and Audit

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Reports thereon of the Andaman and Nicobar Islands Forest and Plantation Development Corporation Limited, Port Blair for the years 1977-78, 1978-79, 1979-80, 1980-81 and 1981-82 were laid on the Table of Lok Sabha as late as on 17 November, 1980, 23 February, 1981, 18 February, 1982, 11 October, 1982 and 22 August, 1983, respectively, *i. e.* after a delay of 22½ months, 14 months, 13½ months, 9½ months and 8 months, respectively. The Committee regret to observe that there has never been an occasion in the past when the Annual Reports and Audited Accounts of the Corporation has been laid on the Table of the House in time, *i. e.* within 9 months of close of the accounting year.

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7.29

From the information furnished by the Ministry of Agriculture, the Committee find that delay had occurred almost at every stage of the Annual Reports and accounts of the Corporation for the years from 1977-78 to 1981-82. However, in the case of Annual Reports and accounts for the year 1977-78, apart from other reasons, the delay had also occurred because the Annual Reports and Audited Accounts had to be returned by the Ministry of Agriculture to the Corporation twice for removing certain discrepancies noticed therein. The Committee feel that the Annual Report of the Corporation had not been prepared with due care. The Committee hope that every care would be taken to ensure that the Annual Reports of the Corporation are complete in every respect before their submission to the Ministry for laying on the Table of the House.

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The Committee further note that in the case of Annual Report and Audited Accounts for the year 1979-80, the delay, among other reasons, occurred because the accounts of the Little Andaman pertaining to that year were not ready in time as the Project Manager had met with an accident. It gives an impression that the Project Manager was the only officer who could compile the accounts. The Committee feel that, during the absence of the Project Manager, there must have been some other responsible officer looking after the duties of the Project Manager and the concerned staff charged with maintaining the accounts at Little Andaman. The Com-

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mittee urge upon the Ministry of Agriculture to impress upon the Corporation to ensure timely finalisation of its accounts and do not advance such stereotyped reasons as are not at all convincing.

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The Committee are of the opinion that with a view to eliminating delay at various stages of the Annual Report and Accounts, the Corporation should approach the Company Law Board sufficiently in advance to ensure that the Statutory Auditors are appointed and their remuneration settled before the close of the accounting year so that the audit work can be commenced in time. The Corporation should also maintain proper accounts so as to help expeditious auditing of the accounts. After audit of accounts by the Statutory Auditors is over the Comptroller and Auditor General should immediately be approached for his comments on the accounts. On receipt of comments of Comptroller and Auditor General, the Annual General Meeting should be called forthwith to consider and approve the Annual Reports, Audited Accounts and comments of Comptroller and Auditor General. As regards printing of the Annual Report and Audited Accounts, arrangements should be made in advance and the press should be instructed to print the requisite number of copies of the Reports and Accounts within the specified time so that no delay occurs on that account.

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7.32

In order to complete all stages within the maximum prescribed time, the Committee feel that a time schedule is all the more necessary. The Committee, therefore, urge upon the Ministry of Agriculture to draw up a time schedule in consultation with the Andaman and Nicobar Islands Forest and Plantation Development Corporation Limited, Port Blair, in such manner that all formalities are completed and the Annual Report and Audited Accounts laid on the Table of the House within 9 months of close of the accounting year as recommended by the Committee on Papers laid on the Table in paragraph 4.16 of their Second Report (Fifth Lok Sabha).

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**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA  
SECRETARIAT PUBLICATIONS**

Sl. No.	Name of Agent	Sl. No.	Name of Agent
<b>BIHAR</b>		<b>UTTAR PRADESH</b>	
1.	M/s Crown Book Depot, Upper Bazar, Ranchi (Bihar).	11.	Law Publisher, Sardar Patel Marg, P. B. No. 77, Allahabad, U.P.
<b>GUJARAT</b>		<b>WEST BENGAL</b>	
2.	The New Order Book Company, Ellis Bridge, Ahmedabad-6.	12.	Mrs. Manimala, Buys and Sells, 128, Bow Bazar Street, Calcutta-12.
<b>MADHYA PRADESH</b>		<b>DELHI</b>	
3.	Modern Book House, Shiv Vilas Palace, Indore City.	13.	Jain Book Agency, Connaught Place, New Delhi.
<b>MAHARASHTRA</b>		14.	J.M. Jain & Brother, Mori Gate, Delhi.
4.	M/S Sunderdas Gian Chand, 601, Girgaum Road, Near Princess Street, Bombay-2.	15.	Oxford Book & Stationary Co., Scindia House, Connaught Place, New Delhi-1.
5.	The International Book Service, Decan Gymkhana, Poona-4	16.	Bookwell 4, Sant Nirankari Colony, Kingsway Camp, Delhi-9.
6.	The Current Book House, Maruti Lane, Raghuanth Dadaji Street Bombay-1.	17.	The Central News Agency, 23/90, Connaught Place, New Delhi.
7.	M/s Usha Book Depot, Law Book Seller and Publishers' Agents Govt. Publications, 585, Chira Bazar, Khan House, Bombay-2.	18.	M/s Rajendra Book Agency, IV-D/59, IV-D/50, Lajpat Nagar, Old Double Storey, New Delhi-110024.
8.	M & J Services, Publishers, Representative Accounts & Law Book Seller, Mohan Kunj, Ground Floor, 68, Jyotiba Fuele Road, Nalgaum-Dadar, Bombay-14.	19.	M/s Ashoka Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110033.
9.	Subscribers Subscription Services India, 21, Raghunath Dadaji St., 2nd Floor, Bombay-1.	20.	Venus Enterprises B-2/85, Phase-II, Ashok Vihar, Delhi.
<b>TAMIL NADU</b>			
10.	The Manager, M. M. Subscription Agencies, No. 2, 1st Lay Out Sivananda Colony, Coimbatore-641012.		

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