

**COMMITTEE**  
**ON**  
**PAPER LAID ON THE TABLE**  
**(1990-91)**

**(NINTH LOK SABHA)**

**THIRD REPORT**

*Presented on 24 August, 1990*



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

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PERSONNEL OF THE COMMITTEE ON PAPERS LAID ON THE  
TABLE OF LOK SABHA (1990-91)

- \*1. Shri K.C. Tyagi — *Chairman*
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3. Shri Bagun Sumbrui
4. Shri L. Balaraman
5. Dr. Bangali Singh
6. Shri R.M. Bhoje
7. Shri Resham Lal Jangde
8. Shri Gulab Chand Kataria
9. Shri Kankar Munjare
10. Shri Nandi Yellaiah
11. Shri Chhedi Paswan
- £12. Shri S. Singaravadaivel
- @13. Shri Pratap Singh
14. Shri P.C. Thomas
15. —

SECRETARIAT

1. Shri K.C. Rastogi — *Additional Secretary*
2. K. K. Sharma — *Director*
3. Shri Swarn Singh — *Under Secretary*

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\*Appointed Chairman *vice* Shri Satya Pal Malik resigned on 26 April, 1990.  
£ Nominated *w.e.f.* 20.8.1990 *vice* Shri Ram Lal Rahi resigned from the ~~Comm~~  
the Committee on 13 August, 1990.

@Nominated *w.e.f.* 17.7.1990 *vice* Shri A. N. Singh Deo resigned from the  
Committee on 17 May, 1990.

## 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 Third Report.

2. On examination of certain papers laid on the Table of Lok Sabha during the Tenth, Thirteenth and Fourteenth Sessions of Eighth Lok Sabha, the Committee have come to certain conclusions in regard to the delay in laying (i) Annual Report and Audited Accounts of the Regional Engineering College. Hamirpur for the years 1985-86 and 1986-87; (ii) Annual Report and Audited Accounts of the Asiatic Society, Calcutta for the year 1985-86; (iii) Annual Reports and Audited Accounts of the Vayudoot Limited, New Delhi for the years 1981-82, 1982-83, 1983-84, 1984-85 and 1985-86; (iv) Central Council of Indian Medicine, New Delhi for the year 1986-87; (v) Indian Association for the Cultivation of Science, Calcutta for the year 1987-88; (vi) Annual Reports and Audited Accounts of the Karnataka Dairy Development Corporation Limited, Bangalore for the years 1984-85 and 1985-86; and (vii) Annual Report and Audited Accounts of the Coal India Limited, Ranchi for the year 1987-88. The conclusions of the Committee are embodied in the Report.

3. On 20 July, 1990, the Committee took evidence of the representatives of the Ministries of Agriculture (Department of Agriculture and Cooperation) and Energy on the question of delay in laying Annual Reports and Audited Accounts of the Karnataka Dairy Development Corporation Limited, Bangalore and the Coal India Limited, Ranchi respectively.

4. The Committee wish to express their thanks to the Officers of the Ministry of Agriculture and the Ministry of Energy for furnishing information desired by the Committee.

5. The Committee considered and adopted this Report at their sitting held on 30 July, 1990.

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

NEW DELHI  
August 1990

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Bhadra, 1912 (S)

K. C. TYAGI  
Chairman,  
Committee on Papers laid on the Table.

## CHAPTER I

### DELAY IN LAYING THE ANNUAL REPORT AND AUDITED ACCOUNTS OF REGIONAL ENGINEERING COLLEGE, HAMIRPUR FOR THE YEARS 1985-86 AND 1986-87.

The Regional Engineering College, Hamirpur was established on 26th April, 1985 under the Societies Registration Act, 1860 with the object of providing instruction and promoting research and development in various branches/disciplines of Engineering and Technology there by leading to advancement of learning and dissemination of knowledge in these disciplines in the region, State and Country. The College is affiliated to the Himachal Pradesh University, Shimla.

1.2. The College was sanctioned a plan grant of Rs. 156.72 lakh (Rs. 45.00 lakhs during 1985-86 and Rs. 111.72 lakhs during 1986-87) by the Central Government to meet its recurring and non-recurring expenditure under the scheme of Establishment of Regional Engineering College.

1.3. The Annual Reports and Audited Accounts of the College for the years 1985-86 and 1986-87 which ought to have been laid by 31 December, 1986 <sup>and</sup> 31 December, 1987 were laid after delay of 27½ months and 15½ months respectively. Audited Report and Audited Statement of the Accounts for 1985-86 and 1986-87 were laid on 6.4.89 and the Annual Report for the aforesaid years were laid on 20.4.89. Both the Annual Reports and Audited Accounts ought to have been laid together as per recommendation of the Committee on the Papers laid.

In the delay statement laid alongwith Annual Accounts on 6.4.89, the reasons for delay were explained as under :—

“The Annual Reports and the Audit Reports alongwith audited statement of accounts for the year 1985-86 and 1986-87 in respect of the Regional Engineering College, Hamirpur were required to be laid before the House within the prescribed period of nine months after the close of the corresponding accounting year.

The Regional Engineering College, Hamirpur, was established during 1985-86 under Societies Registration Act, XXI of 1860. The College started its academic activities during 1986-87. Having

completed necessary formalities, the audit of accounts of the College for the period 1985-86 to 1989-90 was entrusted to the Comptroller and Auditor General of India by the Ministry of Finance *vide* their letter dated 20th October, 1987.

The Office of the Accountant General (Audit) Himachal Pradesh, Shimla, conducted the audit of accounts for the year 1985-86 and 1986-87 and submitted the certified accounts for the said years alongwith the Audit Reports to this Ministry *vide* their letter dated 3rd June, 1988. Printed copies of the Annual Reports and Audit Reports alongwith the audited statement of Accounts for the year 1985-86 and 1986-87, duly approved by the Board of Governors, Regional Engineering College Hamirpur, were received in the Ministry on 21st December, 1988. As such, these documents could not be laid before the House within the prescribed period. The same are now being laid before the House."

1.4. As the above statement did not fully explain the reasons for delay, the Ministry of Human Resource Development were, ~~therefore~~, requested to furnish information on certain points. The points and the replies thereto furnished by the Ministry on 9 June, 1989 were as under :—

## POINTS

## REPLIES

I The dates when—

- |  |   |
|--|---|
| (a) C&AG/AG Himachal Pradesh was approached for appointment of Statutory Auditors:                                 | 9th September, 1987.  |
| (b) Statutory Auditors were appointed by C&AG/AG Himachal Pradesh  | A formal request entrusting audit of the College to the C&AG of India was sent by the Ministry of Finance, Department of Economic Affairs, on 19th October, 1987. |
| (c) The Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing; | June, 1987.   |

- (d) the accounts were handed over to the Auditors;
- (e) the auditing of accounts commenced and the time taken in it;
- (f) queries, if any, raised by the Statutory Auditors;
- (g) queries of the Statutory Auditors resolved;
- (h) the Auditors furnished final Audit Report to the College;
- (i) the Annual Report and Audited Accounts together with the Audit Report were placed before the Annual General Meeting of the College;
- (j) Annual Report and Audited Accounts were taken up for translation and printing and time taken in it;
- (k) the 'Review' report was prepared and furnished to the Ministry/Department;
- The accounts were handed over to Audit Party on 7th December, 1987.
- The auditing of accounts commenced on the 7th December, 1987 and was in progress till 24th December, 1987.
- The queries raised by the Audit Party on 18th February, 1988 were finally resolved on 17th March, 1988. However, the Audit and Inspection Note on the accounts of the College for the period from 26.4.85 to 31.3.87 was sent to the College by the Office of the A.G., H.P. Shimla on 20th April, 1988.
- The Office of the AG (Audit), H.P., Shimla furnished the certified Accounts for the years 1985-86 and 1986-87 alongwith the separate Audit Reports on 3rd June, 1988.
- The Annual Reports and Audited Accounts together with the Audit Reports were placed before the Board of Governors, Regional Engineering College, Hamirpur, on 3rd August, 1988.
- The work, in question, was taken up on 24th October, 1988 and completed on 19th December, 1988.
- Two copies of the draft 'Review' were furnished to the Ministry by the College on 19th December, 1988.

(l) delay statement prepared and submitted to the Ministry/ Department; and

The delay statement was not prepared by the College. Draft delay statement was prepared by the Ministry and put up for the Minister's approval on the 3rd March, 1989. Fair copies of the delay statement in English and Hindi were re-submitted to the Minister for signature on the 23rd March, 1989.

(m) Annual Report and Audited Accounts together with Review and delay statement were sent to the Ministry of Human Resource Development for laying on the Table of the House.

The Annual Reports and Audited Accounts together with the Audit Reports (English and Hindi version and draft review (English version only) were sent to the Ministry by the College on 19.12.88. The Review submitted by the College was re-drafted by the Ministry and put up for Minister's approval on 14.3.89. Fair copies of the 'Review' in English and Hindi were re-submitted to the Minister for signature on 31st March, 1989.

II. The latest position of the Annual Report and Audited Accounts of the College for the year 1987-88. When these are expected to be placed before Parliament ?

The Audited Accounts together with the Audit Report for the year 1987-88 had since been laid on the Table of Lok/Rajya Sabha on the 15.5.1989/11.5.1989. Copies of the Annual Report, 1987-88 alongwith the 'Review' thereon had since been got authenticated/ signed by the Minister. These were laid on the Table of the House on 15.5.1989.

III. The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited

The delay involved in laying the documents, in question, for the year 1985-86 and 1986-87 was mainly due to delayed entrustment of the audit of accounts of



Accounts of the College within the stipulated period of nine months from the close of the accounting year, in future.

the College to the C&AG of India. Before the Office of the C&AG of India could be approached for the purpose, certain formalities had to be completed in consultation with the newly established College, which took time. Now that the audit of the College has been entrusted to the C&AG of India for a period of 5 years, no such delay would be involved in future. A schedule would be drawn for completion of the various steps involved and Regional Engineering College, Hamirpur would be asked to follow it strictly so as to avoid delay in future.

1.5. The matter was considered by the Committee on Papers laid on the Table at their sitting held on 10 April, 1990.

1.6. The Committee are unhappy to note that the Annual Reports and Audited Accounts of the Regional Engineering College, Hamirpur for the years 1985-86 and 1986-87 which in terms of the recommendation of the Committee made from time to time, ought to have been laid before Parliament by 31 December, 1986 and 31 December, 1987 respectively i.e. within 9 months of the close of the accounting year, were actually laid on the Table of Lok Sabha on 6th and 20th April, 1989. Both the Annual Reports and Audited Accounts which were required to be laid together as per recommendations of the Committee were laid separately. Thus, there was delay of about 27½ months and 15½ months in laying of the documents.

1.7. The Committee find from the information furnished by the Ministry of Human Resource Development that the compilation of accounts took about 15 months for the year 1985-86 and 9 months for the year 1986-87 as against 3 months recommended by the Committee. The Committee are further concerned to note that the Accounts for the subsequent year 1987-88 were also laid on the Table of the House with a delay of about 4½ months and 'Review' was laid after a delay of about 7 months.

1.8. The Committee also find that delay of 5 months was also caused in handing over of the accounts to the Auditors who took another 6 months in auditing the accounts of the College. The audited accounts were placed

before the Board of Governors after 2 months. Hence the delay in laying the documents of the Institution was mainly due to the aforesaid reasons. The Committee regret to observe that neither the Ministry nor the College Authorities cared to ask the auditors to complete auditing of Accounts in shortest possible period. The Committee are of the opinion that the Ministry concerned and the College Authorities have not taken the matter seriously and have allowed the Institute to compile its accounts in a leisurely manner.

1.9. The Committee recommend that the Ministry of Human Resource Development should draw up a realistic time schedule in consultation with senior level officers of the College to ensure that the Annual Reports and Audited Accounts of the institution are placed before Parliament within the stipulated period of 9 months of the close of the accounting year as prescribed by the Committee.

## CHAPTER II

### DELAY IN LAYING THE ANNUAL REPORT AND AUDITED ACCOUNTS OF ASIATIC SOCIETY, CALCUTTA FOR THE YEAR 1985-86

The Asiatic Society, with its headquarters at Calcutta was declared as an institution of national importance by an Act of Parliament called the Asiatic Society Act, 1984. The Annual Report and Audited Accounts of the Asiatic Society, Calcutta for the year 1985-86 which ought to have been laid on the Table of Lok Sabha by 31 December, 1986, were laid on 15.5.89 after a delay of about 28½ months alongwith a delay statement and the 'Review'.

2.2. In the delay statement, the reasons for delay were explained as under :—

“The Annual Report, Audit Report and Audited Accounts for 1985-86 in respect of the Society were to be laid in Parliament within nine months of the close of the Financial year i.e. by 31.12.1986.

The Director of Audit, Central Calcutta carried on audit of the Society from 9.7.1986 to 5.8.1986. The Draft Audit Report was received on 7.1.1987. The Standing Finance Committee suggested certain modifications in the draft reply to the Audit Note submitted by the Society. They also suggested certain follow up actions in view of Audit comments on working of the Society.

Following the Regulation of the Society, the minutes of the Standing Finance Committee meeting held on 25th February, 1987 was submitted to the Council meeting held on 28th March, 1987. The Council, however, on account of its large number of items could not consider the minutes of the Standing Finance Committee. Therefore, this was placed in the next meeting of the Council held on the 25th April, 1987. The meeting having not been held on the date, the minutes of Standing Finance Committee was placed at its meeting held on 2.5.1987, where the same was approved.

The revised draft reply of the Society on the Audit Note was to be placed in the Standing Finance Committee meeting which was scheduled to be held on the 27th April, 1987. The meeting,

however, did not take place. As such, the draft replies to Audit Note was sent to Chairman Standing Finance Committee for approval. The approval was received on 4.8.1988.

The Hindi version of the Annual Reports alongwith the Accounts portion was given to the press for printing. Unfortunately the press failed to deliver the material promptly on the pleas mainly shifting and arrangement of the press and non-availability of Hindi compositor, etc.

In February, 1989, it transpired from the press that some pages of the Hindi version of the accounts were missing/mislaid due to shifting/rearrangement and thereafter the missing accounts portion was reconstructed and translated. It took some days. In March 1989, all the materials were collected including printed portion of the report. The requisite number of copies of all the documents were received in the Department of Culture only in the last week of April, 1989.

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

23. As the above statement did not fully explain the reasons for delay, the Ministry of Human Resource Development (Department of Culture) were requested to furnish information on certain points. The points and the replies thereto furnished by the Ministry on 14 June, 1989 were as under :—

<i>Points</i>	<i>Replies</i>
I. The dates when—	
(a) C&AG/AG West Bengal approached for appointment of Statutory Auditors;	In terms of clause 5(2) of the Asiatic Society Act 1984, the Comptroller and Auditor General of India and any person authorised by him was entrusted with the audit of accounts of the Society. Accordingly, as per above provision, the Director of Audit, Central, Calcutta, on behalf of the C.A.G. was authorised to conduct the annual audit of the Society. Hence the question of appointment of Statutory Auditor did not arise.

- (b) the Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing; The Annual accounts for 1985-86 were ready before the commencement of Government Audit, i.e., around July, 1986.
- (c) the accounts were handed over to the Auditors; During the period of audit. i.e. between 9.7.86 to 5.8.86.
- (d) the auditing of accounts commenced and the time taken in it; The Director of Audit, Central Calcutta undertook the audit from 9.7.86 to 5.8.86.
- (e) queries, if any, raised by Statutory Auditors; Queries were raised during the period referred to above (d)
- (f) queries of the Statutory Auditors resolved; Replies to queries were given within the specified time. The queries which were not solved or admitted, found place in the final Audit Report.
- (g) the Auditors furnished final Audit Report to the Society; Received in the Society on 7.1.87.
- (h) the Annual Report and Audited Accounts together with the Audit Report were placed before the Annual General Meeting of the Society; Before the Annual General Meeting on 5.5.1986.
- (i) the 'Review' report was prepared and furnished to the Ministry/Department; 10.2.1988.
- (j) delay statement prepared and submitted to the Ministry/Department; By March, 1989 all the materials were collected, including printing portions and the Annual and Audit Reports for 1985-86 and delay statement were dispatched on 4.4.1989 to the Department of Culture.
- (k) Annual Report and Audited Accounts together with Review and delay statement were sent to the Ministry of J

**Human Resource Development for laying on the Table of the House.**

- II. The latest position of the Annual Report and Audited Accounts of the Society for the years 1986-87 and 1987-88. When these are expected to be placed before Parliament ?
- The Annual Report and Audited Accounts pertaining to the period 1986-87 were laid on 16.8.1988. The Annual Report for 1987-88 was under preparation. The Audit Report, 1987-88 was received in February, 1989 and was under scrutiny. The Society's observations would be sent to this Department for approval before the Audit Report was given for printing. All efforts would be made to place the 1987-88 Report also during the same session.
- III. The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the Society within the stipulated period of nine months from the close of the accounting year, in future.
- The Society has been instructed to take all measures to avoid delay in future in laying down the Reports in the Parliament. They have been advised to ensure that the Reports for the year 1988-89 are placed before the Parliament within the stipulated period.

2.4. The matter was considered by the Committee on Papers laid on the Table at their sitting held on 10 April, 1990.

2.5. The Committee regret to find that the Annual Report and Audited Accounts of the Asiatic Society, Calcutta for the year 1985-86 which were required to be laid on the Table of the House by 31 December, 1986, were actually laid on the Table of the House on 15 May, 1989 after an inordinate delay of about 28½ months. The Committee also find that the aforesaid documents for the subsequent year 1986-87 were laid on the Table of the House on 16 August, 1989 with a delay of about 7½ months and these documents for the years 1987-88 and 1988-89 which were required to be laid by 31 December, 1988 and 31 December, 1989 respectively are yet to be laid on the Table of the House.

2.6. The Committee note from the delay statement laid on the Table of

the House and subsequent information furnished by the Ministry of Human Resource Development that the delay occurred mainly at the stages of auditing of accounts and printing of Annual Report and Accounts of the Society.

27. The Committee would like the Ministry of Human Resource Development (Department of Culture) to go into the matter in detail and draw up a realistic time schedule to ensure that the Annual Reports and Accounts of the Society for the years 1987-88 and 1988-89 are compiled and laid on the Table of the house without further loss of time. The Committee would also like the Ministry to ensure that the Annual Report and statement of accounts of the Society are henceforth laid on the Table of the House within the prescribed time limit i.e. within 9 months of the close of the accounting year, in future.

## CHAPTER III

### DELAY IN LAYING ANNUAL REPORTS AND AUDITED ACCOUNTS OF THE VAYUDOOT LIMITED, NEW DELHI FOR THE YEARS 1981-82, 1982-83, 1983-84, 1984-85 AND 1985-86

The Annual Reports and Audited Accounts of the Vayudoot Limited, New Delhi for the years 1981-82, 1982-83, 1983-84, 1984-85 and 1985-86 were laid for the first time on the Table of Lok Sabha on 11 May, 1989 together with 'Review' and delay statement. The period of delay that took place in laying these documents on the Table of the House worked out to 6 years 4 months, 5 years 4 months, 4 years 4 months, 3 years 4 and 2 years 4 months, respectively.

3.2. In the delay statement the reasons for delay had been explained as under :-

"Vayudoot was incorporated as a Company jointly owned by Air India and Indian Airlines with the equity participation, in the ratio of 50-50, by these two Air Corporations. Since there was no participation by the Government in the equity capital of Vayudoot it was felt that the Company would not qualify for being treated as Government Company. The Department of Company Affairs while considering the proposed setting up of a Company had observed that the share holding pattern proposed indicated that it would not be a Government Company within the meaning of Section 617 of the Companies Act, 1956. On a specific reference soliciting views of the applicability of the provisions of Section 619A to M/s Vayudoot the Department of Company Affairs had opined that provisions of 619A applied only to Government Companies falling under Section 617 of the Companies Act, 1956. The Department of Company Affairs further observed that Vayudoot is not a Government Company but a deemed Government Company falling within the meaning of Section 619(f) and as such question of applicability of Section 619A to M/s Vayudoot does not arise.

The matter was, however, engaging the attention of the Committee on Papers laid on the Table of Rajya Sabha. The Committee



considered the matter again and reiterated that annual reports and audited accounts of Vayudoot should be laid on the Table of the Rajya Sabha. The Ministry of Law, Justice and Company Affairs had subsequently opined that Vayudoot could be considered a Government Company and as such its accounts were required to be laid in the Parliament.

In pursuance of this advice, Vayudoot was asked to print the Annual Reports of the company right from the its inception for placing the copies before both the Houses of Parliament. The printed copies of the Company have been received for the years 1981-82, 1982-83, 1983-84, 1984-85 and 1985-86. The Annual Reports for these five years are submitted herewith. The Annual Report for 1986-87 is under printing. For the year 1987-88, the Report is yet to be finalised."

3.3. The Ministry of Civil Aviation and Tourism were requested on 15 May, 1989 to furnish information on certain points. The points on which the information was sought and replies of the Ministry thereto are as under :—

#### POINTS

#### REPLIES

#### 1. The dates when—

(a) the Department of Company Affairs was approached for getting their views on the applicability of the provisions of Section 619A of the Companies Act, 1956;

Since Vayudoot Ltd., was originally incorporated as a Private Company there were some doubts the need for laying of the annual reports and annual accounts of the Company on the Table of Parliament. The Ministry of Law, Justice and Company Affairs was accordingly, approached in July/August, 1984 to clarify the position.

(b) the Department of Company Affairs gave their opinion in the matter;

The Department of Company Affairs *vide* their U.O. note No. 2/3784-ICC dated the 1st September, 1984 gave their opinion that since Vayudoot Ltd. is not a Government Company and it could at best be considered

(c) the Committee on Papers laid on the Table of Rajya Sabha recommended for laying the Annual Reports and Audited Accounts of the Vayudoot Limited;

(d) the Ministry of Law, Justice and Company Affairs was approached for tendering their views in the matter;

(e) The Ministry of Law, Justice and Company Affairs tendered their views; and

(f) the Air-Corporations were asked to finalise the Annual Reports and Audited Accounts of Vayudoot

only as a deemed Government company, its accounts were not required to be laid before Parliament.

The Committee on Papers laid on the Table of Rajya Sabha felt that Vayudoot Limited is a company coming within the purview of Section 619B of the Company Act, 1956 and therefore, its annual reports and accounts are required to be laid on the Table of Rajya Sabha. This view was communicated to this Ministry vide Rajya Sabha Secretariat O.M. No. RS. 31(4)/86-Com. IV dated the 6th May, 1986.

After further consideration of the case in this Ministry, the Ministry of Law (Department of Legal Affairs) was approached on 12th November, 1986 to offer their comments on the subject in view of their earlier contrary opinion.

The Department of Legal Affairs confirmed/endorsed the viewpoints of the Rajya Sabha Secretariat *vide* their note dated the 9th December, 1986 and suggested laying of the annual reports/accounts of Vayudoot Limited on the Table of both the Houses of Parliament.

Necessary instructions were issued to Vayudoot Limited on 6th January, 1987 to finalise the Audited Accounts and

Limited for laying on the Table of the House.

Annual Reports and make them available to the Ministry for further necessary action. This was followed by a number of reminders at different levels. Vayudoot Limited has stated that the delay has been partly due to the delay in the appointment of statutory auditors by the C&AG—the auditors for 1984-85 and 1985-86 were appointed only on 1.5.1986 and 4.3.1987 respectively. This resulted in delay in printing of the reports.

II. When the Annual Reports and Audited Accounts from 1981-82 to 1985-86 were received in the Ministry of Civil Aviation for being placed before Parliament,

Vayudoot Limited had sent two copies of the annual reports for 1983-84 and 1984-85 on 26 September, 1988. Since after finalisation of audit the reports for the earlier years (which were due by that time) were not received, it was felt advisable to lay the reports for 1983-84 and 1984-85 only on the Table of the Houses of Parliament. Company was, therefore, requested on 21-10-1988 to make available the reports for earlier years and also indicate the reasons for delay in submitting the documents. The annual reports/accounts for the year 1985-86 were made available by the Company on 8th February, 1989. The Annual Reports for the years 1981-82 and 1982-83 were received thereafter. A statement indicating the reasons

- III** When the Annual Reports and Audited Accounts of the Vayudoot Limited for the years 1986-87, 1987-88 and 1988-89 are expected to be placed on the Table of the House.
- IV.** Whether the Ministry of Civil Aviation was aware that Annual Reports and Audited Accounts of the Air-India and its subsidiaries, Hotel Corporation of India Limited and Air-India Charters Limited were being laid on the Table of the House. If so, why these documents in respect of Vayudoot Limited were not laid on the Table of the House on the same analogy.

for the delay in submission of the documents could be obtained only during the first week of May, 1989.

Necessary instructions have been issued to Vayudoot Ltd., for early submission of the Annual Reports/accounts for the years 1986-87, 1987-88 and 1988-89. The reports for 1986-87 have already been approved by the Board of Vayudoot Ltd. during its last meeting and are awaiting approval in the annual general meeting. Audit of the accounts was completed only in April, 1989. The accounts, after scrutiny by the Member Audit Board, are likely to be laid on the Table of the Houses during the next session. Reports for 1987-88 are yet to be audited. The C&AG has recently appointed auditors for the purpose. The annual report/accounts would be placed on on the Tables of both the Houses of Parliament as soon as possible.

As stated earlier, Vayudoot was initially incorporated as a private limited company and, therefore, there were some doubts about the need for laying of the documents. The Department of Company Affairs was, however, of the view that it was not necessary to lay the documents on the Tables of the Houses.

**V. What remedial measures have been taken to clear the arrears of the Company and to ensure that there will not be delay in future, on this account.**

Strict instructions have been issued to Vayudoot Ltd. to finalise all the pending annual reports and accounts so as to ensure that the documents are placed on the Tables of the Houses without delay. It may be pertinent to mention here that the Committee on papers laid on the Table of Rajya Sabha (32nd Report) while expressing happiness over the Government accepting its recommendation noted that the reports/accounts from the year 1986-87 onwards would be laid on the Table of the House. However, the reports for the previous years were also laid to get the process established-

**3.4. The matter was considered by the committee on Papers laid on the Table at their sitting held on 10 April, 1990.**

**3.5. The Committee are unhappy to note that the Annual Reports and Audited Accounts of the Vayudoot Limited, New Delhi for the years 1981-82, 1982-83, 1983-84, 1984-85 and 1985-86 were laid for the first time before Parliament on 11 May, 1989 after delays ranging from 6 years 4 months to 2 years 4 months. The Committee are sorry to say that the Vayudoot Limited being joint venture of the Air India and Indian Airlines fell very much under the Companies Act, 1956 but the provisions of the Act were not correctly interpreted by the Ministry of Law, Justice and Company Affairs and the Bureau of Public Enterprises, and the Annual Reports and Accounts of the Company were not laid on the Table of the House. The Committee cannot but hold the Ministry of Law, Justice and Company Affairs and the Department of Public Enterprises mainly responsible for inordinate delays in laying the documents and consequently for depriving the Members of Parliament of their right to have first hand knowledge about the working and financial health of the Company, in time. The Committee are constrained to observe that the Ministry of Tourism and Civil Aviation also did not take seriously the recommendations of the Committee on Papers laid on the Table of Lok Sabha about companies floated under the Companies Act, 1956.**

**3.6. The Committee, therefore, reiterate their recommendation made**

in para 4.16 of their Second Report (Fifth Lok Sabha) which reads as follows :—

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

3.7. The Committee find from the information furnished by the Ministry of Civil Aviation and Tourism that the Annual Reports and Audited Accounts of the Company for the subsequent years 1986-87, 1987-88 and 1988-89 which were due for laying on the Table of the House by 31 December, 1987, 31 December, 1988 and 31 December, 1989 have not so far been laid. The Committee are constrained to observe that the aforesaid delays could have been avoided if the Ministry of Civil Aviation and Tourism who are administratively responsible for the affairs of the Vayudoot Limited, had taken tangible steps and pursued the matter with the Indian Airlines and Air India.

3.8. The Committee take serious view of the lapse and recommend that immediate action may be taken by the Government and Air India and Indian Airlines to draw up a time bound programme to clear the backlog of the Annual Reports and Accounts of the Vayudoot Limited. The Government may also devise a suitable mechanism to ensure that the Annual Reports and Audited Accounts of the Company are placed before Parliament within nine months of the close of the accounting year in future.

## CHAPTER IV

### DELAY IN LAYING THE ANNUAL REPORT AND AUDITED ACCOUNTS OF THE CENTRAL COUNCIL OF INDIAN MEDICINE, NEW DELHI FOR THE YEAR 1986-87.

The Central Council of Indian Medicine, New Delhi is a statutory body constituted under the Indian Medicine Central Council Act, 1970, *inter-alia*, to prescribe minimum standards of education for courses in Indian Systems of Medicine namely Ayurveda, Siddha and Unani and to regulate practice by the practitioners of Indian Systems of Medicine in the Country. The Central Council is wholly aided by the Government of India.

4.2. The Annual Report and Audited Accounts of the Central Council of Indian Medicine, New Delhi for the year 1986-87 which ought to have been laid by 31 December, 1987 were laid on the Table on 19-4-1989 *i.e.*, after a delay of about 15½ months alongwith a delay statement and the 'Review'.

4.3. In the delay statement, the main reasons for delay are explained as under—

“The term of undertaking the audit of accounts by the Comptroller and Auditor General (C & AG) had expired with the audit of the accounts of the year 1985-86. The approval of the C & AG for further continuation of the audit by the C & AG could be finalised only in March, 1988. This was the main reason for the delay in finalisation of the audited statement of accounts for the year 1986-87 and consequent delay in laying the Annual Report and the audited statement of Accounts in the Parliament.”

4.4. As the above statement did not fully explain the reasons for delay the Ministry of Health and Family Welfare were requested to furnish information on certain points. The points and the replies thereto furnished by the Ministry on 21 June, 1989 were as under.

#### POINTS

#### REPLIES

I. The dates when—

- (a) C & AG was approached for appointment of Statutory Auditors;

30-6-87.

- (b) **Statutory Auditors were appointed by C & AG;** on 14th March, 1988.
- (c) **The Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing.** On 29th June, 1987.
- (d) **The Accounts were handed over to the Auditors;** On 30th June, 1987.
- (e) **The auditing of the accounts commenced and the time taken in it.** Commenced on 14.7.87 and ended on 27.7.87.
- (f) **Queries, if any, raised by Statutory Auditors;** Draft audit report was received in CCIM from Director of Audit Central Revenues on 14.10.87, Replies to queries sent on 20.10.87.
- (g) **Queries of the Statutory Auditors resolved;** The queries of the Auditors alongwith the comments of the office of the Central Council were resolved by the Executive Committee at its meeting held on 6.7.88.
- (h) **The Auditors furnished final Audit Report to the Organisation,** The final audit report was received by the Council on 29.3.88.
- (i) **The Annual Report and Audited Accounts together with the Audit Report were placed before the Annual General Meeting of the Organisation.** The Annual Report and Audited Accounts together with the Audit Report were circulated to the members of the General Body on 17.11.88 for adoption.
- (j) **Annual Report and Audited Accounts were taken up for translation and printing and time taken in it.** The work of the Hindi translation of the Annual Report was completed in the month of October, 1983. The work of Hindi translation of accounts was completed in May, 1988. The printing work was completed on 6.2.89.



(k) The 'Review' report was prepared and furnished to the Ministry.

(l) Delay statement prepared and submitted to the Ministry.

(m) Annual Report and Audited Accounts together with Review & Delay statement were sent to the Ministry of Health & Family Welfare for laying on the Table of the House.

II. The latest position of the Annual Report and Audited Accounts of the Company for the year 1987-88. When these are expected to be placed before Parliament.

III. The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the Organisation within the stipulated period in future,

The 'Review' Report was received in this Ministry on 10.2.89.

The delay statement alongwith annual report for the year 1986-87 received in the Ministry on 10.2.89.

The annual Report and audited accounts for the year 1986-87 together with review and delay statement received in the Ministry on 10.2.89 for laying on the Table of the House of Parliament.

Annual Report/Audited Report received in the Ministry. Expected to be placed before Parliament in Monsoon Session.

Delay in submission of Annual Report and Audited Statement of Accounts for 1986-87 was mainly due to the procedure involved in re-entrustment of audit of the accounts of the Council to C&AG. Since this issue has been settled once for all, there was no possibility for such delays in future. Every effort would be made to ensure laying of the Annual Report/Statement of Accounts in time.

4.5. The matter was considered by the Committee on Papers laid on the Table at their sitting held on 28th May, 1990.

4.6. The Committee are concerned to note that the Annual Report and Audited Accounts of the Central Council of Indian Medicine, New Delhi for

the year 1986-87 were laid on the Table of Lok Sabha on 19th April, 1989 after a delay of about 15-1/2 months. These documents for the subsequent year 1987-88 which were required to be laid on the Table of Lok Sabha by 31 December, 1988 were laid by the Ministry on 26th July, 1989 with a delay of about 7 months. The aforesaid documents for the year 1988-89 which were due for laying before the House by 31st December, 1989 are yet to be laid.

4.7. The Committee observe that the delay in respect of the Report & Accounts for the year 1986-87 took place mainly at the stages of appointment of Statutory Auditors Auditing of Accounts, translation and printing of the documents. From the information furnished by the Ministry of Health and Family Welfare in their delay statement and subsequent information on certain points given by them, it is learnt that the term of undertaking the audit of accounts by the Comptroller and Auditor General (C & AG) had expired with the audit of the accounts of the year 1985-86. The approval of the C & AG for further continuation of the audit by this organisation could be finalised only in March 1988. This led to delay in finalisation of the audited statement of accounts for the year 1986-87 and laying the Annual Report and Audited Accounts in the Parliament.

4.8. The explanation given by the Ministry i.e. delay in appointment of 'Statutory Auditors' by the C & AG is hardly convincing. The Committee are at a loss to understand why the C & AG could not be approached sufficiently in advance for continuance of Audit of the Council for the subsequent year.

4.9. The Committee also find that about a year was taken for completing translation work and printing of documents for which the Ministry have not come forward with any explanation. No sincere efforts appear to have been made to get the work of translation and printing of material, completed in time so that the documents could be laid on the Table of the House within 9 months from the close of the accounting year, as prescribed by the Committee. They hope that the Ministry would be more watchful in this regard and ensure that such delays are obviated in future.

## CHAPTER V

### DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE INDIAN ASSOCIATION FOR THE CULTIVATION OF SCIENCE, CALCUTTA FOR THE YEAR 1987-88.

The Annual Report and Audited Accounts of the Indian Association for the Cultivation of Science, Calcutta for the year 1987-88 were laid on the Table of Lok Sabha together with 'Review' on 31 July, 1989. In terms of the recommendation of the Committee on Papers laid on the Table of Lok Sabha contained in para 3.5 of their First Report (Fifth Lok Sabha) these documents were required to be placed before Parliament by 31 December, 1988 *i.e.* within nine months of the close of the accounting year of the Association. Thus the required documents were laid after a delay of 7 months. The Ministry of Science and Technology who was required to lay a delay statement together with the Annual Report and Audited Accounts failed to do so.

5.2. The Ministry of Science and Technology (Department of Science and Technology) were requested to furnish information on certain points. The points on which the information was sought and the replies received thereto on 8 September, 1989 are as under:—

#### POINTS

#### REPLIES

##### The dates when

(a) the Annual Accounts were compiled and handed over to the auditors;

The Chartered Accountant's firm was asked to take up the audit from 18.7.88 after it was compiled on 30.6.1988. The Annual Accounts were handed over to the Auditor on 19.7.88.

(b) the auditing of accounts commenced and the time taken in it;

The date of auditing of accounts commenced on 18.7.88 and the final audit report was submitted on 30.9.1988.

- (c) the auditors furnished final Audit Report to the Association;
- (d) the Annual Report and Audited Accounts were approved by Annual General Meeting of the Association;
- (e) the Annual Report and Audited Accounts were translated into Hindi, printed & sent to the Ministry of Science and Technology together with the review for laying on the Table of the House.

The final Audit Report was submitted by the auditor on 30.9.1988.

No Annual General Meeting of the Association was held for the last 7 years due to Court injunction.

English version of the Annual Report was sent to the Ministry on 21st March, 1989 and the Hindi version was sent on 5th May, 1989.

II. The reasons for not laying on the Table of the House a statement explaining circumstances that led to delay of 7 months in placing before Parliament the required documents.

It is regretted that the Annual Report and Audited Accounts could not be sent to the Ministry within the stipulated period as the entire administration was geared to celebrate the Birth Centenary of Sir C.V. Raman during November, 1988 as National Celebration where the Prime Minister inaugurated the same on 2nd November, 1988. Thereafter the printing also took time. However, the undue delay in sending the reports has been noted by us for future correction.

III. The latest position of the Annual Report and Audited Accounts of the Association for the year 1988-89. When these are expected to be placed before the Parliament.

The Association have stated that they are trying hard to maintain the time schedule as given by the Ministry. It will however, not exceed the date fixed by the Lok Sabha Secretariat.

IV. The remedial measures taken or proposed to be taken to ensure laying of Annual Report and Audited Accounts of the accounting years, in future.

The first call notice has already been sent to all autonomous research institutions funded by the Department to furnish Annual Report and Audited Statement of Accounts. All out efforts will be made to ensure adherence to the time frame stipulated for laying the document in both House of the Parliament.

5.3. The matter was consired by the Committee on Papers laid at their sitting held on 28 May, 1990.

5.4. The Committee are distressed to note that the Annual Report and Audited Accounts of the India Association for Cultivation of Science, Calcutta for the year 1987-88 were laid on the Table of Lok Sabha as late as on 31 July, 1989 i.e. after a delay of 7 months and these documents for the subsequent year 1988-89 which were due for laying by 31 December, 1989 were laid on the Table with a delay of 3 months. The Committee note that one of the reasons for delay in laying the Annual Report and Accounts for the year 1987-88 was that the entire administration was geared to celebrate the birth centenary of Sir C.V. Raman during November, 1988 as a National celebration and as such the required documents could not be sent to the Ministry of Science and Technology within the stipulated period for placing before Parliament. The Committee are not convinced with the reason adduced by the Ministry in this regard. The Association should have spared the accounts staff to finalise the Annual Reports and Audited Accounts within the prescribed time limit. The Committee urge upon the Ministry of Science and Technology to impress upon the Association to avoid such delays and ensure timely finalisation of its Annual Administrative Reports and Accounts.

5.5. The Committee note with regret that while laying on the Table of the House the Annual Report and Audited Accounts for the year 1987-88 the Ministry of Science and Technology did not lay the statement explaining the reasons for delay in laying those documents. The Ministry knew fully well the recommendation of the Committee made in paragraph 3.5 of their First Report (Fifth Lok Sabha) that if for any reason, the Annual Report, Audited Accounts and the Audit Report there on could not be laid within the stipulated period of nine months, the Ministry should lay within 30 days of expiry of the prescribed period or as soon as the House meets, which every

is later, a statement explaining the reasons why the reports and accounts could not be laid within the stipulated period. The Committee are constrained to observe that unless the Ministry itself keeps a close watch and ensures compliance with recommendation of the Committee, the concerned organisations may not take the matter seriously. The Committee, therefore, urge the Ministry to ensure that the Annual Reports and Accounts as well as the Audited Report and 'Review' are laid together on the Table of the House within nine months of the close of the accounting year in future.

## CHAPTER VI

### DELAY IN LAYING ANNUAL REPORTS AND AUDITED ACCOUNTS OF THE KARNATAKA DAIRY DEVELOPMENT CORPORATION LIMITED, BANGALORE FOR THE YEARS 1984-85 AND 1985-86

The Annual Report and Audited Accounts of the Karnataka Dairy Development Corporation Limited, Bangalore for the year ended 30 June, 1979 were laid on the Table of Lok Sabha on 3 March, 1983 along with a Review and a statement explaining reasons for delay. Laying of Report and Accounts involved a delay of nearly 3 years.

6.2. The Committee took a serious view of the lapse and recommended in their First Report (8th LS) (Presented to Lok Sabha on 19.6.1985) that the Corporation might draw up a time bound programme for laying of outstanding Annual Reports with the statement explaining the reasons for delay by devising a suitable mechanism to ensure that such delays do not recur in future.

6.3. In the Action Taken Reports furnished on 31 December, 1985, the Ministry of Agriculture (Department of Agriculture and Cooperation) stated that the Managing Directors of the Karnataka Dairy Development Corporation, Madhya Pradesh State Dairy Development Corporation and Rajasthan State Dairy Development Corporation and also the State Governments had been requested to take remedial steps by drawing up a time bound programme for preparation of outstanding annual reports and audited accounts and their laying before the two Houses of Parliament and to devise suitable mechanism to ensure that such delays do not recur in future.

6.4. The position of laying of Annual Reports and Audited Accounts of the Karnataka Dairy Development Corporation from the year ended 30 June, 1980 onwards is as under :-

<i>Year</i>	<i>Date of laying</i>	<i>Period of delay</i>
1979-80	1.4.1985	48 months
1980-81	15.5.1985	37½ months
1981-82	16.12.1985	32½ months
1982-83	24.3.1986	24 months
1983-84	22.8.1986	17 months

6.5. The Annual Reports and Audited Accounts of the Karnataka Dairy Development Corporation Limited, Bangalore for the years 1984-85 and 1985-86 were laid on the Table of Lok Sabha on 13 May, 1988.

6.6. In terms of recommendation of the Committee on Papers laid on the Table made in paragraph 4.6 of their Second Report Fifth Lok Sabha), these papers were required to be laid on the Table within 9 months of the close of the accounting years, i.e. by 31 March, 1986 and 31 March, 1987 (The accounting period being from July to June) respectively. Thus, the period of delay came to about 25½ months and 13½ months respectively.

6.7. In the delay Statement the reasons for delay had been explained as under :—

#### I. Reasons for Delay for 1984-85

“As per the Companies Act, 1956, the accounts for the year 1984-85 (1.7.84 to 30.6.85) should have been adopted at the Annual General Meeting on or before 31.12.1985. The 11th Annual General Meeting of the Corporation was held on 27.12.85 and since the audited accounts were not ready, the meeting was adjourned sine-die. Unless the comments of the Statutory Auditors and Government Auditors on the accounts of the Corporation are received and accounts for a particular year are finalised, the Comptroller and Auditor General of India would not normally recommend the name of the Statutory Auditors for the subsequent year to the Government of India for being appointed as Statutory Auditors for the Corporation. Comments of the Government Auditors on the accounts of the Corporation for the year 1983-84 was received on 25.4.1986 and the same was placed for approval at the Adjourned 10th Annual General Meeting of the Karnataka Dairy Development Corporation Limited for the year 1983-84 held on 28.4.1986.

After approval of the Accounts for the year 1983-84, the audit of accounts for the subsequent year 1984-85 was taken up by M/s Rao's and Narasimhamurthy, Chartered Accountants, who were appointed as Statutory Auditors of the Corporation for the years 1984-85 and 1985-86. They took up audit of accounts of the Corporation for the year 1984-85 and completed audit on 7.8.1987 after seeking clarification on various points.

The Comptroller and Auditor General of India furnished his comments (Nil comments) on 30.9.87 and the accounts for the year 1984-85 were adopted by the share-holders at the



**Adjourned 11th Annual General Meeting of Karnataka Dairy Development Corporation held on 28.11.87.**

1. Date on which the accounts were compiled by the Corporation ;	20.3.1987
2. Date on which the Statutory Auditors were appointed;	18.7.1986
3. Date on which the accounts were handed over to the Auditors for Audit;	24.3.1987
4. Date on which the accounts were audited by the Statutory Auditors;	1.4.1987
5. Date on which the accounts were referred to the Comptroller and Auditor General of India;	24.4.1987
6. Date on which the Statutory Auditors submitted their revised report;	7.8.1987
7. Date on which the Annual General meeting of the Corporation approved the accounts;	28.11.1987
8. Date on which the Annual Report was presented and approved by the Annual General Meeting;	28.11.1987
9. Date of preparation of report in Hindi	15.3.1988
10. Date of submission of this Report to the Ministry of Agriculture.	28.3.1988

**II. Reasons for Delay for 1985-86**

**"As per the Companies Act, 1956, the accounts for the year 1985-86 (1.7.85 to 30.6.86) should have been adopted at the Annual General Meeting on or before 31.12.1986. The 12th Annual General Meeting of the Corporation was held on 30.12.86 and since the audited accounts were not ready the meeting was adjourned sine-die. Unless the comments of the Statutory Auditors and Government Auditors on the accounts of the Corporation are received and accounts for a particular year are finalised, the Comptroller and Auditor General of India would not normally recommend the name of the Statutory Auditors for the subsequent year to the Government of India for being appointed as Statutory Auditors of the Corporation. Comments of the Government Auditors on the accounts of the Corporation for the year 1984-85 was received on 30.9.1987 and the same was placed**

for approval at the Adjourned 11th Annual General Meeting of the Karnataka Dairy Development Corporation Limited for the year 1984-85 held on 28.11.1987.

After approval of the Accounts for the year 1984-85, the audit of accounts for the subsequent year 1985-86 was taken up by M/s Rao's and Narasimhamurthy, Chartered Accountants, who were appointed as Statutory Auditors of the Corporation for the years 1984-85 and 1985-86. They took up audit of accounts of the Corporation for the year 1985-86 on 1.12.87 and completed audit on 18.12.1987 after seeking clarification on various points. The Comptroller and Auditor General of India decided not to review the report of the Auditors on the accounts of KDDC and hence furnished his 'Nil' comments on 22.12.87 and the accounts for the year 85-86 were adopted by the shareholders at the Adjourned 12th Annual General Meeting of Karnataka Dairy Development Corporation held on 28.12.87.

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| 1. Date on which the accounts were compiled by the Corporation;                              | 20.11.1987 |
| 2. Date on which the Statutory Auditors were appointed;                                      | 18.7.1987  |
| 3. Date on which the accounts were handed over to the Auditors for Audit;                    | 1.12.1987  |
| 4. Date on which the accounts were audited by the Statutory Auditors;                        | 18.12.1987 |
| 5. Date on which the accounts were referred to the Comptroller and Auditor General of India; | 21.12.1987 |
| 6. Date on which the Statutory Auditors submitted their revised report;                      | —          |
| 7. Date on which the Annual General Meeting of the Corporation approved the accounts;        | 28.12.1987 |
| 8. Date on which the Annual Report was presented and approved by the Annual General Meeting; | 28.12.1987 |
| 9. Date of preparation of report in Hindi;   | 15.3.1988  |
| 10. Date of submission of this report to Ministry of Agriculture.                            | 28.3.1988  |

6.8. The Ministry of Agriculture (Department of Agriculture and Cooperation) were requested on 17 May, 1988 to furnish information on certain points. The points on which the information was Sought and replies of the Ministry thereto received on 5 April, 1989 i.e. after about 9½ months are as under :—

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(i) The latest position of the Annual Reports and Audited Accounts of the Corporation for the year 1986-87 and 1987-88. When these are expected to be placed before Parliament.

The Karnataka Cooperative Milk Producer's Federation (KMF) had indicated that Statutory Auditors have been appointed for 1986-87, and the Auditors have taken up the audit. They were expected to complete the audit of accounts by 31.12.88 and the printed accounts for 1986-87 were to be made ready by the end of 31.1.1989. However the KDDC has not yet furnished the report and the matter is being pursued with them. For the year 1987-88, the KMF has indicated that they have approached the Comptroller and Auditor General of India to make recommendation 8 to the Company Law Board for appointment of Statutory Auditors for the KDDC for the year 1987-88.

(ii) The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the Corporation within the stipulated period of nine months from the close of the accounting year in future.

The KDDC who were consulted have indicated that the assets, liabilities and personnel of the Karnataka Dairy Development Corporation Ltd. Bangalore have been transferred to the Karnataka Cooperative Milk Producer's Federation Ltd. (KMF) with effect from 1.5.1984 in order to implement the Operation Flood-II/III in

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the entire State of Karnataka and that Karnataka Dairy Development Corporation Ltd. (KDDC) is not carrying on any commercial activities after 1.5.1984. The KDDC also reported that the valuation of assets transferred to KMF as on 1.5.84 is yet to be finalised and once the valuation is completed, the same will be incorporated in the books of KDDC and KMF and that once the accounts of the Corporation are audited up-to-date, the KDDC will be wound up as per the provisions of the Companies Act, 1956. The KDDC have, however, not indicated the steps proposed to be taken by them to ensure timely laying of the report and the matter is being pursued.

6.9. At their sitting held on 23 August, 1989, the Committee on Papers laid on the Table considered the reasons given by the Ministry of Agriculture (Department of Agriculture and Cooperation) in regard to delay in laying Annual Reports and Audited Accounts of the Karnataka Dairy Development Corporation Limited, Bangalore for the years 1984-85 and 1985-86. The Committee decided that the representatives of the Ministry of Agriculture might be asked to appear before the Committee to explain the reasons for delay in the matter.

6.10. The Committee took evidence of the representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation) on 20 June, 1990 on the question of delay in laying before Parliament the Annual Reports and Audited Accounts of the Karnataka Dairy Development Corporation Limited, Bangalore.

6.11. Asked about the reasons for delay in finalising the accounts for the year 1983-84, which led to delay in finalisation of the accounts of the subsequent years, the Secretary, Ministry of Agriculture stated that while reviewing the position, the Ministry were informed by the authorities of

the Karnataka Dairy Development Corporation (KDDC) that it had transferred its developmental activities in May, 1984 to a new organisation called the Karnataka Milk Federation (KMF). This transfer involved cumbersome procedure and transfer of manpower from KDDC to KMF led to the dislocation of work. Some staff were also transferred to the District Milk Union. This affected the finalisation of accounts from that year onwards. The Secretary, Ministry of Agriculture further stated that he himself was not satisfied with the aforesaid reasons because if this had been the position, then the accounts of the earlier years would have been finalised in time. But that also was not done. The Secretary, Animal Husbandry and Fisheries, Karnataka also agreed that there had been delay in finalisation of the accounts.

6.12. The Secretary, Ministry of Agriculture informed the Committee that from the Government side there had been constant monitoring through correspondence and as a result thereof the accounts for 5 years from 1979-80 to 1983-84 were cleared in about 18 months and after that the accounts for the subsequent years 1984-85 and 1985-86 were finalised. The witness assured the Committee that the accounts for the years 1987-88, 1988-89 and 1989-90 would be finalised by September, 1990, October, 1990 and March, 1991 respectively and thus the entire backlog would be cleared within a stipulated period.

6.13. The Committee are <sup>2</sup>displeas<sup>d</sup> to note of the Annual Reports and Audited Accounts of the Karnataka Dairy Development Corporation (KDDC) for the years 1984-85 and 1985-86 were laid on the Table of the House as late as on 13 May, 1988 i.e. with a delay of 25 1/2 months and 13 1/2 months respectively. Further, the compilation of accounts for the years 1984-85 and 1985-86 took about 18 months and 16 1/2 months respectively, inspite of the fact that the Statutory Auditors for auditing the accounts for these years were appointed by C & AG much earlier. The auditing of accounts for 1984-85 by Statutory Auditors took another 8 months. The annual Report and Audited Accounts for 1984-85 were placed before the Annual General Meeting of the Corporation after about 4 months of the receipt of revised Audit Report from the Statutory Auditors. The Committee are not satisfied with the justification advanced by the Ministry of Agriculture (Department of Agriculture and Cooperation) that transfer of developmental activities of KDDC to the Karnataka Milk Federation (KMF) in May 1984 involved cumbersome procedure and transfer of manpower from KDDC to KMF led to dislocation of work resulting in delay in finalisation of the accounts for the year 1983-84. This delay again contributed the delay in finalising the accounts of subsequent years. Further evidence, the Secretary, Ministry of Agriculture also expressed his dissatisfaction in the matter and he was frank enough to admit that if this had been the real reason the accounts of the years

earlier to 1983-84 would have been finalised in time. But that also was not done.

6.14. The Committee regret to observe that their earlier recommendation contained in the First Report (8th Lok Sabha) presented to Lok Sabha on 19 August, 1985 was not taken seriously by the Ministry of Agriculture and the KDDC and as such the matter was allowed to linger indefinitely. Apart from corresponding with the KDDC in a routine manner the Ministry do not appear to have taken any specific steps to ensure that the Annual Reports and Accounts of the Corporation were laid within the prescribed Period. The Committee trust that the Ministry of Agriculture would now keep the promise made during evidence and clear the backlog of Annual Reports and Accounts upto 1989-90 by March, 1991 and thereafter place before Parliament the required documents within the prescribed the limit of nine months from the close of the accounting year.

## CHAPTER VII

### DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE COAL INDIA LIMITED, RANCHI FOR THE YEAR 1987-88

The Annual Report and Audited Accounts of the Coal India Limited, Ranchi for the year 1987-88 together with 'Review' and the Statement giving reasons for delay were laid on the Table of Lok Sabha on the 4th April, 1989 after a delay of about 3 months. These Papers were laid under Section 619A (1) of the Companies Act, 1956 which reads as under:—

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

- (a) prepared within 3 months of its Annual General Meeting before which the Audit Report is placed under Sub-section 619; and
- (b) as soon as may be after such preparation, laid before both Houses of Parliament together with a copy of the audit report and any comments upon, or supplement to the audit report, made by the Comptroller and Auditor General of India.”

7.2. It would be seen from above that there was no specific time limit laid down in the Act for laying Annual Reports and Audited Accounts of Government Companies before Parliament. After hearing the views of the Ministry of Finance and the Office of C & AG., the Committee on Papers laid on the Table in para 4.16 of their Second Report (Fifth Lok Sabha) (presented to Lok Sabha on 12 May, 1976) fixed a time limit of 9 months after the close of the Accounting year to lay the Annual Reports and Audited Accounts of the Companies. The Committee also recommended that where it was not possible for the Government to lay the Report of any Company within that period, they should lay on the Table a statement explaining the reasons for not laying the Reports within 30 days from the expiry of the period of nine months and if the House is not in Session at that time, the statement should be laid on the Table within seven days of re-assembly of the House.

73. The Ministry of Energy could not lay within the stipulated period of nine months the Annual Report and Audited Accounts of the Coal India Limited for the year 1987-88, They therefore, laid a statement on 4 April, 1989 on the Table together with the Annual Report and Audited Accounts, explaining the reasons for delay as under :—

“Coal India Limited is a Holding Company with seven subsidiaries. The Annual Report and Accounts of Coal India Ltd. for the year 1987-88 is now being laid on the Table of the Lok Sabha/Rajya Sabha. It could not be laid during the last session i.e. in December, 1988 for the following reasons:—

A copy of the Annual Report of all the subsidiaries should be attached to the Balance Sheet of the Holding Company, in pursuance of Section 212 of the Companies Act, 1956. The authentication of Accounts etc. and translation and printing of the Report took place in the following order:—

1. Adoption of Coal India Ltd. Accounts by the Board.		27.3.1988
2. Submission of Accounts to Commercial Audit	Branch HQ	1.8.1988 5.8.1988
3. Receipt of initial Audit Queries.		8.8.1988 to 25.8.1988
4. Replies to initial Commercial Audit Queries.		31.8.1988
5. Receipt of final Audit Queries.		23.9.1988
6. Replies to final Audit Queries.		28.9.1988
7. Final discussion with the Commercial Audit.		30-9-1988
8. Adoption of Revised Accounts by the Members of the Board.		7-11-1988
9. Revised Report of Statutory Auditor submitted on:		21-11-1988
10. Comments by Commercial Audit received on:		25-11-1988
11. Adoption of Audited Accounts by Annual General Meeting on:		24-12-1988



**12. Translation and printing of Accounts and submission to the Ministry:**

9-3-1989

It may be observed that the accounts were adopted by the Coal India Limited in the Annual General meeting held on 24.12.1988 and report was translated and printed in January-February, 1989. Hence, it could not be laid during the last session."

7.4. Since the above reasons did not indicate the full details about the factors which contributed towards delay in preparation and laying of Annual Report and Audited Accounts, the Ministry of Energy (Department of Coal) were asked to furnish information on certain points. In their reply dated 2nd May, 1989, the Ministry have explained the position as under :—

<i>Points</i>	<i>Replies</i>
I. The dates when—	
(a) the Director of Commercial Audit-II was approached for appointment of Statutory Auditors:	25.1.1988
(b) the Statutory Auditors were appointed by the Director of Commercial Audit-II:	2.5.1988
(c) the Annual Accounts of the Company were compiled and were ready for being handed over to the Statutory Auditors for auditing:	Last week of May, 1988.
(d) the auditing of accounts commenced and the time taken in it:	Audit taken up by 2nd week of May, 1988. Statutory Audit completed by 22 July 1988.
(e) the Annual Report and Audited accounts were taken for translation and	

printing and time taken in it:

(f) the delay statement prepared and furnished to the Ministry of Energy (Deptt. of Coal) for laying on the Table of the House together with the Annual Report and Audited Accounts:

II. The reasons for holding Annual General Meeting of the Company as late as on 24.12.1988:

III. When were the Annual Reports and Audited Accounts for the earlier years 1983-84, 1984-85, 1985-86 and 1986-87 laid on the Table of the House:

**Annual Report and Audited Accounts taken up for translation and printing by middle of December, 1988. Time taken for printing of Report and translation was about 2½ months.**

**Annual Report and Audited Accounts sent to Ministry on 9.3.1989.**

**Excess time taken by Commercial Audit and re-opening of accounts arising out of the latest management decision to provide for liability for interim relief to staff and workers and also to give effect to Commercial Audit queries were main reasons for holding Annual General Meeting of the Company late in December, 1988.**

<b>Accounts for the year</b>	<b>Date on which laid on the Table of the House.</b>
1983-84	26-4-1985
1984-85	4-3-1986
1985-86	3-4-1987
1986-87	26-2-1988

IV. The latest position of the Annual Report and Audited Accounts for the year 1988-89 of the Company. When these are expected to be laid before Parliament:

Auditors for 1988-89 have been appointed and the routine audit is likely to commence by end of April, 1989. Every effort will be made to have the Annual Report and Audited Accounts laid on the Table of Parliament by the end of December, 1989.

V. The remedial measures taken or proposed to be taken to ensure laying of the Annual Reports and Audited Accounts of the company within stipulated period of 9 months from the close of the accounting year, in future:

All concerned have been advised to complete the Accounts and Audit within the stipulated period.

7.5. At their sitting held on the 4th September, 1989, the Committee on Papers laid on the Table of Lok Sabha considered the explanation given by the Ministry of Energy (Department of Coal) in regard to delay in laying the Annual Report and Audited Accounts of the Coal India Limited, Ranchi for the year 1987-88. The Committee noted that a delay of about 3 months took place in auditing of accounts and holding of Annual General Meeting of the Company. The Committee also noted that there had never been any occasion during the preceding 4-5 years when the documents of the Company were placed before Parliament within the prescribed period. The Committee therefore, decided that the representatives of the Ministry of Energy might be asked to appear before them for oral evidence in the matter.

7.6. The representatives of the Ministry of Energy according by appeared before the Committee on 20th June 1990.

7.7. Asked to explain the reasons for the delay, the Joint Secretary, Ministry of Energy (Department of Coal) stated that there had always been delay on the part of Company Law Board in the appointment of statutory Auditors for auditing the accounts of seven Companies under them. He expressed his happiness over the timely laying of the Annual Report and Audited Accounts of Coal India Limited for subsequent year 1988-89 i.e. on 30th September, 1989. The witness assured the Committee that the time schedule for finalisation of Annual Reports and Audited accounts of

the Company will be strictly adhered to by close monitoring <sup>and</sup> casual issuing of timely reminders by the Ministry direct to the Company and also through the Government Directors who were on the Board of the Company. He further stated that the improvement made in respect of the year 1988-89 will be sustained and the Annual Reports and Audited Accounts of the Company will be laid on the Table of the House within the prescribed time limit of nine month from the close of the accounting year.

7.8. The Committee note that the Annual Report and Audited Accounts of the Coal India Limited, Ranchi for the year 1988 89 were laid on the Table of the House after a delay of about 3 months. In respect of the earlier years 1983-84 1984-85, 1985-86 and 1986 87 also, there had been delays ranging between two to four months. The Committee are not convinced with the argument advanced by the witness that these delays were due to delay on the part of the Company Law Board in the appointment of the Statutory Auditors for auditing the accounts of the seven Companies under the Ministry of Energy. The Committee feel that the delay could have been avoided had the Ministry taken up the matter with the Company Law Board sufficiently in advance through personal contacts or formal meetings, if necessary, so as to impress upon them the urgency of the matter and getting the accounts audited by the Statutory Auditors, well in time.

7.9. The Committee note with satisfaction that the Annual Report and Audited Accounts of the Company for the year 1988-89 were laid on the Table of the House well within the time limit prescribed by the Committee. The Committee trust that the Ministry of Energy would keep up its promise and continue placing before Parliament the required documents of the Company within nine months of the close of the accounting year in future also.

K.C. TYAGI  
Chairman,  
Committee on Papers laid on the Table,

## APPENDIX

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

S. No.	Reference to para No. in the Report	Summary of Recommendations/observations
1	2	3
1	1.6.	The Committee are unhappy to note that the Annual Reports and Audited Accounts of the Regional Engineering College, Hamirpur for the years 1985-86 and 1986-87 which in terms of the recommendation of the Committee made from time to time, ought to have been laid before Parliament by 31 December, 1986 and 31 December, 1987, respectively i.e. within 9 months of the close of the accounting year, were actually laid on the Table of Lok Sabha on 6th and 20th April, 1989. Both the Annual Reports and Audited Accounts which were required to be laid together as per recommendations of the Committee were laid separately. Thus, there was delay of about 27½ months and 15½ months in laying of the documents.
2	1.7.	The Committee find from the information furnished by the Ministry of Human Resource Development that the compilation of accounts took about 15 months for the year 1985-86 and 9 months for the year 1986-87 as against 3 months recommended by the Committee. The Committee are further concerned to note that the Accounts for the subsequent year 1987-88 were also laid on the Table of the House with a delay of about 4½ months and 'Review' was laid after a delay of about 7 months.

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3	1.8.	<p>The Committee also find that delay of 5 months was also caused in handing over of the accounts to the Auditors who took another 6 months in auditing the accounts of the College. The audited accounts were placed before the Board of Governors after 2 months. Hence the delay in laying the documents of the Institution was mainly due to the aforesaid reasons. The Committee regret to observe that neither the Ministry nor the College Authorities cared to ask the auditors to complete auditing of Accounts in shortest possible period. The Committee are of the opinion that the Ministry concerned and the College Authorities have not taken the matter seriously and have allowed the Institute to compile its accounts in a leisurely manner.</p>
4	1.9.	<p>The Committee recommend that the ministry of Human Resource Development should draw up a realistic time schedule in consultation with senior level officers of the College to ensure that the Annual Reports and Audited Accounts of the institution are placed before Parliament within the stipulated period of 9 months of the close of the accounting year as prescribed by the Committee.</p>
5	2.5.	<p>The Committee regret to find that the Annual Report and Audited Accounts of the Asiatic Society, Calcutta for the year 1985-86 which were required to be laid on the Table of the House by 31 December, 1986, were actually laid on the Table of the House on 15 May, 1989 after an inordinate delay of about 28½ months. The Committee also find that the aforesaid documents for the subsequent year 1986-87 were laid on the Table of the House on 16 August, 1989 with a delay of about 7½ months and these documents for the years 1987-88 and 1988-89 which were required to be laid by 31 December,</p>

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		1988 and 31 December, 1989 respectively are yet to be laid on the Table of the House.
6	2.6.	The Committee note from the delay statement laid on the Table of the House and subsequent information furnished by the Ministry of Human Resource Development that the delay occurred mainly at the stages of auditing of accounts and printing of Annual Report and Accounts of the Society.
7	2.7.	The Committee would like the Ministry of Human Resource Development (Department of Culture) to go into the matter in detail and draw up a realistic time schedule to ensure that the Annual Reports and Accounts of the Society for the years 1987-88 and 1988-89 are compiled and laid on the Table of the House without further loss of time. The Committee would also like the Ministry to ensure that the Annual Report and statement of accounts of the Society are henceforth laid on the Table of the House within the prescribed time limit <i>i.e.</i> within 9 months of the close of the accounting year, in future.
8	3.5.	The Committee are unhappy to note that the Annual Reports and Audited Accounts of the Vayudoot Limited, New Delhi for the years 1981-82, 1982-83, 1983-84, 1984-85 and 1985-86 were laid for the first time before Parliament on 11 May, 1989 after delays ranging from 6 years 4 months to 2 years 4 months. The Committee are sorry to say that the Vayudoot Limited being joint venture of the Air India and Indian Airlines fell very much under the Companies Act, 1956 but the provisions of the Act were not correctly interpreted by the Ministry of Law, Justice and Company Affairs and the Bureau of Public Enterprises, and the Annual Reports and Accounts of the Company were not laid on the Table of the House. The Committee cannot

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but hold the Ministry of Law Justice and Company Affairs and the Department of Public Enterprises mainly responsible for the inordinate delays in laying the documents and consequently for depriving the Members of Parliament of their right to have first hand knowledge about the working and financial health of the Company, in time. The Committee are constrained to observe that the Ministry of Tourism and Civil Aviation also did not take seriously the recommendations of the Committee on Papers laid on the Table of Lok Sabha about companies floated under the Companies Act, 1956.

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3.6.

The Committee, therefore, reiterate their recommendation made in para 4.16 of their Second Report (Fifth Lok Sabha) which reads as follows :—

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

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3.7.

The Committee find from the information furnished by the Ministry of Civil Aviation and Tourism that the Annual Reports and Audited Accounts of the Company for the subsequent years 1986-87, 1987-88 and 1988-89 which were due for laying on the Table of the House by 31 December, 1987, 31 December, 1988 and 31 December, 1989 have not so far been laid. The

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- Committee are constrained to observe that the aforesaid delays could have been avoided if the Ministry of Civil Aviation and Tourism who are administratively responsible for the affairs of the Vayudoot Limited, had taken tangible steps and pursued the matter with the India Airlines and Air India.
- 11            3.8.        The Committee take serious view of the lapse and recommend that immediate action may be taken by the Government and Air India and Indian Airlines to draw up a time bound programme to clear the backlog of the Annual Reports and Accounts of the Vayudoot Limited. The Government may also devise a suitable mechanism to ensure that the Annual Reports and Audited Accounts of the Company are placed before Parliament within nine months of the close of the accounting year in future.
- 12            4.6.        The Committee are concerned to note that the Annual Report and Audited Accounts of the Central Council of Indian Medicine, New Delhi for the year 1986-87 were laid on the Table of Lok Sabha on 19th April, 1989 after a delay of about 15½ months. These documents for the subsequent year 1987-88 which were required to be laid on the Table of Lok Sabha by 31 December, 1988 were laid by the Ministry on 26th July, 1989 with a delay of about 7 months. The aforesaid documents for the year 1988-89 which were due for laying before the House by 31st December, 1989 are yet to be laid.
- 13            4.7.        The Committee observe that the delay in respect of the Report and Accounts for the year 1986-87 took place mainly at the stages of appointment of Statutory Auditors Auditing of Accounts, translation and printing of the documents. From the information furnished by the Ministry of Health and Family Welfare in their delay statement and subsequent information on
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certain points given by them, it is learnt that the term of undertaking the audit of accounts by the Comptroller and Auditor General (C&AG) had expired with the audit of the accounts of the year 1985-86. The approval of the C&AG for further continuation of the audit by this organisation could be finalised only in March, 1988. This led to delay in finalisation of the audited statement of accounts for the year 1986-87 and laying the Annual Report and Audited Accounts in the Parliament.

- 14            4.8.        The explanation given by the Ministry *i.e.* delay in appointment of 'Statutory Auditors' by the C&AG is hardly convincing. The Committee are at a loss to understand why the C&AG could not be approached sufficiently in advance for continuance of Audit of the Council for the subsequent year.
- 15            4.9.        The Committee also find that about a year was taken for completing translation work and printing of documents for which the Ministry have not come forward with any explanation. No sincere efforts appear to have been made to get the work of translation and printing of material, completed in time so that the documents could be laid on the Table of the House within 9 months from the close of the accounting year, as prescribed by the Committee. They hope that the Ministry would be more watchful in this regard and ensure that such delays are obviated in future.
- 16            5.4.        The Committee are distressed to note that the Annual Report and Audited Accounts of the Indian Association for Cultivation of Science, Calcutta for the year 1987-88 were <sup>laid</sup> on the Table of Lok Sabha as late as on 31 July, 1989 *i.e.* after a delay of 7 months and these documents for the subsequent year 1988-89 which were due for laying by 31 December, 1989 were laid on the

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Table with a delay of 3 months. The Committee note that one of the reasons for delay in laying the Annual Report and Accounts for the year 1987-88 was that the entire administration was geared to celebrate the birth centenary of Sir C.V. Raman during November, 1988 as a National celebration and as such the required documents could not be sent to the Ministry of Science and Technology within the stipulated period for placing before Parliament. The Committee are not convinced with the reason adduced by the Ministry in this regard. The Association should have spared the accounts staff to finalise the Annual Reports and Audited Accounts within the prescribed time limit. The Committee urge upon the Ministry of Science and Technology to impress upon the Association to avoid such delays and ensure timely finalisation of its Annual Administrative Reports and Accounts.

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5.5.

The Committee note with regret that while laying on the Table of the House the Annual Report and Audited Accounts for the year 1987-88, the Ministry of Science and Technology did not lay the statement explaining the reasons for delay in laying those documents. The Ministry knew fully well the recommendation of the Committee made in paragraph 3.5 of their First Report (Fifth Lok Sabha) that if for any reason, the Annual Report, Audited Accounts and the Audit Report thereon could not be laid within the stipulated period of nine months, the Ministry should lay within 30 days of expiry of prescribed period or as soon as the House meets, whichever is later, a statement explaining the reason why the reports and accounts could not be laid within the stipulated period. The Committee are constrained to observe that unless the Ministry itself keeps a close watch and ensures compliance with recommendation of the

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Committee, the concerned organisations may not taken the matter seriously. The Committee, therefore, urge upon the Ministry to ensure that the Annual Reports and Accounts as well as the Audited Report and 'Review' are laid together on the Table of the House within nine months of the close of the accounting year in future.

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6.13.

The Committee are dispressed to note of the Annual Reports and Audited Accounts of the Karnataka Dairy Development Corporation (KDDC) for the years 1984-85 and 1985-86 were laid on the Table of the House as late as on 13 May, 1988 *i.e.* with a delay of 25½ and 13½ months respectively. Further, the compilation of accounts for the years 1984-85 and 1985-86 took about 18 months and 16½ months respectively, inspite of the fact that the Statutory Auditors for auditing the accounts for these years were appointed by C&AG much earlier. The auditing of accounts for 1984-85 by Statutory Auditors took another 8 months. The Annual Report and Audited Accounts for 1984-85 were placed before the Annual General Meeting of the Corporation after about 4 months of the receipt of revised Audit Report from the Statutory Auditors. The Committee are not satisfied with the justification advanced by the Ministry of Agriculture (Department of Agriculture and Cooperation) that transfer of developmental activities of KDDC to the Karnataka Milk Federation (KMF) in May 1984 involved cumbersome procedure and transfer of manpower from KDDC to KMF led to dislocation of work resulting in delay in finalisation of the accounts for the year 1983-84. This delay again contributed the delay in finalising the accounts of subsequent years. During evidence, the Secretary, Ministry of

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Agriculture also expressed his dissatisfaction in the matter and he was frank enough to admit that if this had been the real reason, the accounts of the years earlier to 1983-84 would have been finalised in time. But that also was not done.

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6.14.

The Committee regret to observe that their earlier recommendation contained in the First Report (8th Lok Sabha) presented to Lok Sabha on 19 August, 1985 was not taken seriously by the Ministry of Agriculture and the KDDC and as such the matter was allowed to linger indefinitely. Apart from corresponding with the KDDC in a routine manner the Ministry do not appear to have taken any specific steps to ensure that the Annual Reports and Accounts of the Corporation were laid within the prescribed period. The Committee trust that the Ministry of Agriculture would now keep the promise made during evidence and clear the backlog of Annual Reports and Accounts upto 1989-90 by March, 1991 and thereafter place before Parliament the required documents within the prescribed time limit of nine months from the close of the accounting year.

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7-8.

The Committee note that the Annual Report and Audited Accounts of the Coal India Limited, Ranchi for the year 1988-89 were laid on the Table of the House after a delay of about 3 months. In respect of the earlier years 1983-84, 1984-85, 1985-86, 1986-87 also, there had been delays ranging between two to four months. The Committee are not convinced with the argument advanced by the witness that these delays were due to delay on the part of the Company Law Board in the appointment of the Statutory Auditors for auditing the accounts of the seven Companies under the Ministry of Energy. The Committee feel that the delay could have been avoided had the Ministry taken up the matter

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with the Company Law Board sufficiently in advance through personal contacts or formal meetings, if necessary, so as to impress upon them the urgency of the matter and getting the accounts audited by the Statutory Auditors, well in time.

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The Committee note with satisfaction that the Annual Report and Audited Accounts of the Company for the year 1988-89 were laid on the Table of the House well within the time limit prescribed by the Committee. The Committee trust the Ministry of Energy would keep up its promise and continue placing before Parliament the required documents of the Company within nine months of the close of the accounting year in future also.