

**COMMITTEE ON  
PAPERS LAID ON THE TABLE  
(1995-96)**

**(TENTH LOK SABHA)**

**TWENTIETH REPORT**

*(Presented on 19.12.1995)*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*November, 1995/ Kartika, 1917 (Saka)*

*Price: Rs. 10.00*

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Corrigenda to Twentieth Report of the Committee  
on Papers Laid on the Table

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**COMPOSITION OF THE COMMITTEE-ON  
PAPERS LAID ON THE TABLE (1995-96)**

**Shri T. J. Anjalose — *Chairman***

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3. **Shri M. Krishnaswamy**
4. **Dr. N. Murugesan**
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15. **Shri Braja Kishore Tripathy**

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1. **Shri S.N. Mishra** — *Additional Secretary*
2. **Shri G.C. Malhotra** — *Joint Secretary*
3. **Shri Ram Autar Ram** — *Deputy Secretary*
4. **Shri J.P. Jain** — *Under Secretary*

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\*Nominated w.e.f. 9 August, 1995.

## INTRODUCTION

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

2. The Committee have examined the question of laying of Annual Report and Audited Accounts of Societies, registered under the Registration of Societies Act, 1860, who have received one time corpus from the Government of India and have made certain recommendations. The Committee have also come to certain conclusions in regard to delay in laying of the Annual Reports and Audited Accounts of (i) National Institute of Naturopathy, Pune; (ii) Central Council for Research in Yoga and Naturopathy, New Delhi; and (iii) National Textile Corporation Limited, New Delhi for the year 1991-92 and have made recommendations. The conclusions/recommendations of the Committee are reflected in the Report.

3. The Committee considered and adopted the Report at their sitting held on 17 November, 1995.

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

NEW DELHI;

17 November, 1995

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26 Kartika, 1917 (Saka)

T. J. ANJALOSE,

*Chairman,  
Committee on Papers Laid  
on the Table.*

## CHAPTER I

### LAYING OF ANNUAL REPORT AND AUDITED ACCOUNTS OF SOCIETIES, REGISTERED UNDER THE REGISTRATION OF SOCIETIES ACT, 1860, WHO HAVE RECEIVED ONE TIME CORPUS FROM THE GOVERNMENT OF INDIA

The Ministry of Home Affairs, Government of India, have sought clarification as to whether the Annual Report and Audited Accounts of Societies, registered under the Registration of Societies Act, 1860, who have one time corpus and not the annual grants or grants-in-aid from the Government of India, are required to be circulated amongst the Members of Parliament or laid on the Table of the House.

1.2 The Committee on Papers Laid on the Table of Lok Sabha, from time to time, have made certain recommendations for laying on the Table the Annual Reports and Audited Accounts of various types of organisations which receive annual grants-in-aid from the Government of India. As per the recommendations so far made by this Committee, the Annual Reports and Audited Accounts of those organisations which are financed from the Consolidated Fund of India are required to be placed annually before Parliament thus making them accountable to the Parliament. The Committee had, however, no opportunity so far to consider the question of laying of Annual Reports and Audited Accounts of Societies who receive only one time corpus/fund from the Government of India and not the annual grants.

1.3 With a view to considering this matter in the light of adequate information about the number of Societies having one time corpus from the Government and the amount of such corpus involved in various cases, the Ministries/Departments of Government of India were requested to furnish the requisite information.

4. Out of 65 Ministries/Departments of Government of India, who were requested to furnish the information, 51 of them furnished the same. An analytical statement showing the quantum of one time corpus/financial

assistance and the number of societies receiving such assistance is as under:—

S. No.	Quantum of one time Corpus (Rs.)	Number of Societies/ Organisations
1.	Below one lakh	110
2.	1 lakh but below 5 lakh	14
3.	5 lakh but below 10 lakh	2
4.	10 lakh but below 20 lakh	2
5.	20 lakh but below 30 lakh	Nil
6.	30 lakh but below 40 lakh	1
7.	40 lakh but below 50 lakh	Nil
8.	50 lakh but below 1 crore	Nil
9.	1 crore but below 5 crore	7
10.	5 crore but below 10 crore	4
11.	10 crore but below 20 crore	3
12.	20 crore but below 30 crore	Nil
13.	30 crore but below 40 crore	2
14.	40 crore but below 50 crore	Nil
<b>Total</b>		<b>145</b>

1.5 The Committee considered the matter at their sitting held on 31.5.1995. The Committee found from the information furnished by the Ministries/Departments that a large number of Societies had received one time corpus, ranging from as low as Rs. 590/- to a high of Rs. 31 crores, from the Government of India. Most of these societies are voluntary organisations having educational, cultural or social welfare activities.

1.6 The Committee noted from the above statement that out of 145 societies, about which information had been furnished by the Government of India, as many as 110 societies had received one time assistance of less than Rs. 1 lakh. Only 14 societies had received between Rs. 1 lakh to Rs. 5 lakh; 5 societies between Rs. 5 lakh to Rs. 50 lakh; and 16 societies had received above Rs. 50 lakh.

1.7 Earlier, the Committee on Papers Laid on the Table (Seventh Lok Sabha) had recommended in their 19th Report (Seventh Lok Sabha) for laying of Annual Report and Audited Accounts of private and voluntary



organisations receiving financial assistance every year from the Government, as under:—

“.....that the Annual Report and Audited Accounts of private and voluntary organisations receiving recurring grant-in-aid to the tune of Rs. 5 lakhs and above should be laid on the Table of the House. In the case of private and voluntary organisations receiving grant-in-aid of Rs. 1 lakh and below Rs. 5 lakh, all the Ministries and Departments of Government of India should include in their own Annual Reports a statement showing the quantum of funds provided to each of those organisations and the purpose for which they were utilised, for the information of the Members of Parliament.”

1.8 Keeping in view the above recommendations of the Committee in respect of private and voluntary organisations receiving recurring grants-in-aid, the Committee feel that those societies which receive one time financial assistance from the Government of India should also be made accountable to Parliament for the fund provided to them. For this purpose a ceiling about the quantum of one time corpus should be fixed for laying the Annual Reports and Audited Accounts of such societies.

1.9 The Committee considered the question of fixation of ceiling of one time corpus for laying the Annual Report and Audited Accounts of such societies and felt that an amount of Rs. 50 lakh is quite a substantial amount for making the organisation accountable to Parliament. The Committee therefore, recommend that the societies/organisations receiving one time assistance of Rs. 50 lakh or above should be required to lay their Annual Reports and Audited Accounts before Parliament. In the case of societies receiving one time assistance of Rs 10 lakh and below Rs. 50 lakh, all the Ministries/Departments of Government of India should be required to include in their own Annual Reports a statement showing the quantum of funds provided to each of these societies and the purpose for which the funds were utilised, for the information of the Members of Parliament.

## CHAPTER II

### DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE NATIONAL INSTITUTE OF NATUROPATHY, PUNE FOR THE YEAR 1991-92

The National Institute of Naturopathy, Pune was registered as an autonomous body on 27.9.1984 under the Ministry of Health and Family Welfare with the object of promotion of Naturopathy, to provide facilities and to encourage training and research in the field of Naturopathy.

2.2 The Annual Report and Audited Accounts of National Institute of Naturopathy, Pune for the year 1991-92 were laid alongwith Review and Delay Statements on the Table of Lok Sabha on 17.3.1994. As per the recommendation of the Committee on Papers Laid as contained in para 3.5 of their First Report (Fifth Lok Sabha) the said documents should have been laid within 9 months from the close of the accounting year *i.e.* by 31 December, 1992. Thus, the delay in laying the Annual Report and Audited Accounts came to about 14½ months.

2.3 The statement as laid alongwith the Annual Report and Audited Accounts, explained the reasons for delay as under:—

“The various activities in connection with the Annual Report and Audited Accounts were completed on the following dates:—

- |  |            |
|--|------------|
| 1. The annual accounts finalised by office of the Director of Audit, Central Bombay. | 13.11.1992 |
| 2. Approval of the Governing Body to the Annual Report and Accounts.                 | 22.7.1993  |
| 3. Translation of Annual Report and Audited Accounts into Hindi.                     | 21.2.1994  |
| 4. Receipt of cyclostyled copies in the Ministry.                                    | 25.2.1994” |

2.4. The Ministry of Health and Family Welfare (Department of Health), were asked to furnish Clarification on certain points in this regard, had furnished the same as under:—

#### POINTS

#### REPLIES

- |  |  |
|--|--|
| I. The dates when:—  |  |
| (a) the company law Board/C&AG was approached for appointment of statutory auditors; | The Audit of accounts of National Institute of Naturopathy, Pune was entrusted to C&AG <i>vide</i> Ministry of Finance (Department of Economic Affairs) sanction order dated 14.1.1988 for 5 years from the year 1987-88 to 1991-92. |
| (b) the statutory auditors were appointed;   |  |

- (c) the accounts of the Institute were compiled and were ready for being handed over to the auditors; 15.5.1992
- (d) the accounts were handed over to the auditors for auditing; 2.9.1992
- (e) the auditing of accounts commenced by the auditors and the time taken on it; Audit commenced on 2.9.1992 and completed on 14.9.1992 (13 days)
- (f) the annual report was finalised; 1.7.1992
- (g) the annual reports and audited accounts were approved by the Annual General Meeting/Governing Body/Executive Committee/Finance Committee of the Institute; Approved by the Governing Body on 22.7.1993.
- (h) the Annual Report and Audited Accounts were taken up for translation and printing, and the time taken in it; Translation work took up by the Ministry itself and finalised on 21.2.1994.
- (i) the finalised annual report and audited accounts in both Hindi and English versions were sent to the Ministry of Health and Family Welfare for being laid in Parliament; The Annual Report for 1991-92 in English was sent to the Ministry on 1.7.1992. The Audited Accounts for 1991-92 received in the Ministry directly from Indian Audit and Accounts Department, Bombay on 13.11.1992. Translation work completed on 21.2.94 as stated under item (h) above.
- (j) the delay statement and review were prepared by the Ministry; 21.10.1993
- (k) the annual report and audited accounts alongwith review statement and delay statement were authenticated from the Minister; and 1.3.1994
- (l) the Annual Report and accounts of the National Institute of Naturopathy, Pune, for 1988-89, 1989-90 and 1990-91 were laid on the Table of Lok Sabha. 1988-89 : 9.8.1989  
1989-90 : 19.8.1991  
1990-91 : 20.8.1992

II The latest position regarding finalisation of the annual report and audited accounts for the subsequent year 1992-93.

When these are expected to be laid on the Table of Lok Sabha;

Annual Report for 1992-93 has since been prepared and got approved by the Governing Body on 22.7.1993. Annual Accounts for 1992-93 has also been received from the Director of Audit, Central Bombay on 16.11.1993. Copies of Annual Report and Audited Accounts for 1992-93 alongwith Hindi version are still awaited from the Institute. All efforts will be made to lay the documents in the Parliament during Monsoon Session of 1994.

III. The remedial measures taken or proposed to be taken both in the Ministry and the Institute to ensure timely laying of the annual reports and audited accounts within the prescribed period of nine months from the close of the accounting years, in future.

Efforts are being made to ensure timely laying of Annual Report and Audited Accounts within the prescribed period in future.

2.5 The Committee considered the matter at their sitting held on 14.6.1994. In view of the inordinate delay of 14½ months in laying the documents on the Table of the House, the Committee decided to call the representatives of the Ministry of Health and Family Welfare (Department of Health) to tender oral evidence before the Committee. Accordingly, the representatives of the Ministry of Health and Family Welfare (Deptt. of Health) appeared before the Committee on 30.11.1994 to tender oral evidence.

2.6 When asked to explain the reasons for the delay in approving the audit report by the Governing Body, the witness stated that the meeting could not be convened in time due to pre-occupations of the Minister. Change of Ministers between 30.11.1992 and 20.7.1993 had also been one of the reasons for not convening the meeting of the Governing Body. He added that since that was the first annual report to be prepared by the Institute, there was delay at various stages involved in finalisation of the report.

2.7 On the question of delay in translation of the documents, the witness stated that since the Institute had no translator, they sent the documents to the Ministry for translation. From 1992-93 they had their own Hindi translator. So, the delay had come down considerably.

2.8 The Committee are unhappy to note that the Annual Report and Audited Accounts for the year 1991-92 of the National Institute of Naturopathy, Pune which, in terms of the recommendations contained in para 3.5 of the First Report (Fifth Lok Sabha) of Committee on Papers Laid on the Table, were required to be laid on the Table of the House by 31 December, 1992, were actually laid on the Table of the House on 17.3.1994 i.e. after a delay of about 14½ months. These documents for the year 1992-93 were also laid after delay of about 7½ months i.e. on 11.8.1994.

2.9 The Committee are distressed to note from the information furnished by the Ministry that though the annual accounts were ready on 15.5.1992 for being handed over to the auditors, but they were actually handed over to them after 3½ months i.e. on 2.9.1992. The Committee do not find any justification for keeping the accounts with them after these were ready for being handed over to the auditors and the auditors were also there to audit accounts. Had the Institute taken steps to hand over the accounts to the auditors immediately after the same were ready, a delay of 3½ months could have been avoided.

2.10 The Committee note with concern that inspite of the fact that the auditing of accounts was completed on 14.9.1992, within 13 days of their submission on 2.9.1992, the audited accounts were received from the auditors as late as on 13.11.1992 i.e. after 2 months of completion of auditing. The Committee feel that the Institute did not make any effort to obtain the audited accounts from the auditors soon after it was ready.

2.11 The Committee further note with dissatisfaction that after receipt of the audited accounts from the auditors on 13.11.1992, the same were approved by the Governing Body after about 8 months i.e. on 22.7.1993. The Committee are not satisfied with the reply of the Ministry that due to pre-occupations of the Minister and change of Minister, Governing Body Meeting could not be convened. The Committee feel that the Ministry approached the Minister at a later stage for convening the meeting of the Governing Body. Had the Ministry and the Institute made sincere efforts for timely completion of various stages involved in finalisation of the documents, sufficient time would have been available for convening the Governing Body Meeting earlier.

2.12 The Committee do not find justification in the reply of the Ministry about inordinate delay in translating the documents that the Institute had no translator and the translation work had to be done by the Ministry. Since the Ministry was aware that the documents were required to be laid on the Table in Hindi also, they should have initiated appropriate action in time for making arrangements for getting the documents translated into Hindi.

2.13 The Committee find that the delay in laying the documents was

reduced from 14½ months for the year 1991-92 to 7½ months for the year 1992-93.

2.14 The Committee note with satisfaction that the Annual Report and Audited Accounts of the Institute for the year 1993-94 have been laid within the stipulated period of 9 months from the close of the accounting year i.e. on 19.12.94. The Committee hope that the same spirit of laying the documents within the stipulated period shall be maintained by the Institute and the Ministry in future also.

### CHAPTER III

#### DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF CENTRAL COUNCIL FOR RESEARCH IN YOGA AND NATUROPATHY, NEW DELHI FOR THE YEAR 1991-92.

The Central Council for Research in Yoga and Naturopathy is an autonomous body under the Ministry of Health and Family Welfare which provides 100% grant-in-aid to the body. The Council is engaged in promotion of Yoga and Naturopathy through various voluntary organisations.

3.2 The Annual Report and Audited Accounts of Central Council for Research in Yoga and Naturopathy for the year 1991-92 were laid together with Review and Delay Statement on the Table of Lok Sabha on 17 March, 1994. As per recommendation of the Committee on Papers Laid on the Table contained in para 3.5 of their First Report (Fifth Lok Sabha), the said documents were to be laid within nine months of the close of the accounting year *i.e.* by 31 December, 1992. Thus, the delay in laying the Annual Report and Audited Accounts came to about 15 months.

3.3 Earlier, the Annual Reports and Audited Accounts for the preceeding three years *i.e.* 1988-89, 1989-90 and 1990-91 were laid on the Table on 5.9.1990, 10.12.1991 and 21.7.1992 respectively.

3.4 The statement, as laid alongwith the Annual Report and Audited Accounts for the year 1991-92, explained the reasons for delay as under:—

“The various activities relating to the Audit of accounts and compilation of the Annual Report of the Central Council for Research in Yoga and Naturopathy for the year 1991-92 were completed on the following date:—

- |   |            |
|---|------------|
| 1. Date of compilation of accounts of the Council                       | 2.7.1992   |
| 2. Date of submission of accounts to Director of Audit, Central Revenue | 21.7.1992  |
| 3. Receipt of draft Audit Report  | 2.9.1992   |
| 4. Replies given on points raised by the Audit in draft report          | 24.11.1992 |
| 5. Receipt of Audit Certificate alongwith Audit Report from D.A.C.R.    | 18.3.1993  |
| 6. Translation of the certified accounts and Audit Report into Hindi    | 7.6.1993   |

- |   |           |
|---|-----------|
| 7. Preparation and Cyclostyling of the Annual Report  | 30.6.1993 |
| 8. Translation of Annual Report and Accounts into Hindi and binding Annual reports and Accounts | 30.6.1993 |
| 9. Receipt of Cyclostyled copies in the Ministry."  | 25.2.1994 |

3.5 The Ministry of Health and Family Welfare (Department of Health), who were asked to furnish clarifications on certain points in this connection, furnished the same as under:—

## POINTS

## REPLIES

## I. The dates when:—

- |   |                          |
|---|--------------------------|
| (a) The Company Law Board/C&AG was approached for appointment of statutory auditors;  | 21.7.1992                |
| (b) the staturoy auditors were appointed;   | 19.8.1992                |
| (c) the accounts of the Council were compiled and were ready for being handed over to auditors;   | 2.7.1992                 |
| (d) the accounts were handed over to auditors for auditing;   | 21.7.1992                |
| (e) the auditing of accounts commenced by the auditors and the time taken in it;  | 19.8.1992<br>to 2.9.1992 |
| (f) the annual report was finalised;  | 24.11.1992               |
| (g) the annual report and audited accounts were got approved from the Annual General Meeting/Governing Body/Executive Committee/Finance Committee of the Council;           | 17.2.1993<br>(SFAC)      |
| (h) the annual report and audited accounts were taken up for translation and printing and the time taken in it;   | 19.1.1993 to 7.6.1993    |
| (i) the finalised annual report and audited accounts in both Hindi and English versions, were sent to the Ministry of Health & Family Welfare for being laid in Parliament; | 30.6.1993                |
| (j) the delay statement and review were prepared by the Ministry;   | 28.10.1993               |
| (k) the annual report and audited accounts alongwith review statement and delay statement were got authenticated by the Minister; and                                       | 1.3.1994                 |



- |  |   |
|--|---|
| (l) the annual reports and audited accounts of the Central Council for Research in Yoga and Naturopathy, New Delhi for the last three years i.e. 1988-89, 1989-90 & 1990-91 were laid on the Table of Lok Sabha. | 1988-89 : 5.9.1990<br>1989-90 : 10.12.1991<br>1990-91 : 21.7.1992 |
|--|---|

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

- |  |            |
|--|------------|
| (a) Accounts for 1992-93 were ready on   | 31.5.1993  |
| (b) Accounts for 1992-93 were sent to the Ministry on                          | 7.6.1993   |
| (c) DACR's office was requested for audit on                                   | 7.6.1993   |
| (d) Audit Party arrived on   | 23.6.1993  |
| (e) Audit work started on  | 23.6.1993  |
| (f) Audit work completed on  | 30.6.1993  |
| (g) Draft Audit Report received on   | 24.8.1993  |
| (h) Copy of Report sent to the Government by CAG on                            | 31.12.1993 |
| (i) Final Audit Report received on   | 31.12.1993 |
| (j) Annual report for 1992-93 was ready on                                     | 21.9.1993  |
| (k) Sent for Hindi translation   | 22.9.1993  |
| (l) Translation work completed on  | 11.2.1994  |
| (m) the annual report and audited accounts were got approved from the S.F.A.C. | 26.10.1993 |
| (n) Annual Report for 1992-93 was sent to the Ministry on                      | 19.4.1994  |

III. The remedial measures taken or proposed to be taken both in the Ministry and the Council to ensure timely laying of the annual reports and audited accounts within the prescribed period of nine months from the close of the accounting years, in future.	The Council is taking action to ensure timely laying of the annual reports and audited accounts within the prescribed period.
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3.6 The Committee had earlier examined the matter of delay in laying Annual Reports and Audited Accounts of Central Council for Research in Yoga and Naturopathy, New Delhi for the years 1984-85 and 1985-86. and reported the matter in their Seventeenth Report (Eighth Lok Sabha) presented to the House on 1.12.1987.

The Committee had, *inter-alia*, recommended:—

“...the Ministry might, in consultation with the Council and the Director of Audit draw up a time schedule in such a manner that all formalities are completed and the documents are laid on the Table of the House within nine months of the close of the accounting years of the Council as already recommended earlier by the Committee on Papers Laid on the Table in paragraph 3.5 of their First Report (Fifth Lok Sabha), presented in Lok Sabha on 8 March, 1976.”

3.7 The Ministry of Health and Family Welfare, in their action taken replies to the recommendations contained in the above said Report, had stated as under:—

“Recommendations of the Committee on Papers Laid on the Table have been conveyed to the CCRYN. The Council has been requested to comply the same and ensure that the Audited Accounts and Annual Report of the Council are laid in Parliament within 9 months of the close of accounting year *i.e.* before 31st December every year.”

3.8 The Committee considered the matter at their sitting held on 14.6.1994. Keeping in view the inordinate delay of about 15 months in laying the documents for the year 1991-92, the Committee decided to take oral evidence of the representatives of Ministry of Health and Family Welfare (Department of Health) on the Subject. According the representatives of the Ministry of Health and Family Welfare (Department of Health) appeared before the Committee on 22.9.1994 to tender oral evidence.

3.9 When asked to explain as to why the C&AG was approached very late *i.e.* on 21.7.1992 for appointment of statutory auditors for auditing the accounts of the Central Council for Research in Yoga and Naturopathy (CCRYN) for the year 1991-92, the representative of the Ministry stated that the date furnished to the Committee was incorrect due to some misunderstanding at the level of the Council and the Ministry of Health and Family Welfare. It was in 1989 when they had approached C&AG for auditing the accounts of CCRYN for a block of 5 years. He also told that the unaudited statements of accounts were handed over to the Auditors prior to their appointment.

3.10 On being asked to explain the reasons for delay in finalising the Annual Report, the representative of the Ministry stated that the accounts which were part of the Annual Report were collected from various

organisations funded by the CCRYN and in some cases, the accounts were received late which delayed the whole process.

3.11. When asked as to why the Annual Report and Audited Accounts for the year 1991-92 were not approved by the Governing Body of the Council, the witness stated that the accounts were not received by them until December, 1992 when the Governing Body met. They got it, therefore, approved by the Governing Body subsequently.

3.12. On the question of taking 5 months in translation and printing of the Annual Report and Audited Accounts, the witness stated that the official concerned was overloaded with other work and he could not concentrate fully on this work.

3.13. On being asked to explain the reasons for delayed receipt of the documents from the Council, the representative of the Ministry stated that the Annual Report had to be revised twice and then got translated which took some more time.

3.14. The Committee note that the Annual Report and Audited Accounts of the Central Council for Research in Yoga and Naturopathy (CCRYN) for the year 1991-92 were laid on the Table of Lok Sabha as late as on 17 March, 1994 i.e. after a delay of about 15 months.

3.15. The Committee are distressed to note that there has been delay in laying the Annual Report and Audited Accounts of CCRYN year after year. These documents for the year 1988-89, 1989-90 and 1990-91 were also laid with delay. The documents for the year 1992-93 have again been laid with delay of about 7 months i.e. on 11.8.1994.

3.16 The Committee find that the Council took 3½ months in compilation of the Annual Accounts; about 8 months were spent at the stage of auditing, as it appears from the delay statement laid on the Table; about 5 months were taken in translation and printing of Annual Report and Audited Accounts; 4 months were taken by the Ministry in preparing 'Review' and 'Delay' statements and thereafter 4 months in getting the documents authenticated from the Minister.

3.17 The Committee take it very seriously that, during evidence, it was brought to their notice by the witness that the information furnished earlier by the Department of Health regarding appointment of statutory auditors, was incorrect. The Committee feel that neither the Council nor the Ministry bothered to ensure that the correct information was sent to the Committee. They felt that these types of errors change the whole complexion. The lapse show negligence on the part of the CCRYN and the Ministry. The Committee need hardly stress that before furnishing the information to Parliament, it must be ensured that the information furnished is true and correct.

3.18 The Committee are concerned to note that the CCRYN took about 3 months to give replies to the points raised by the Audit in the draft audit

report and the auditors thereafter took about 4 months to furnish the Audit Certificate alongwith the Audit Report. The Council should have promptly given the replies to the points raised by the auditors and asked them to furnish the certified audited accounts early. But the Council did not seem to have made any effort to curtail the time spent at the stage of auditing of Accounts.

3.19 The Committee further note with displeasure that about 5 months were allowed to lapse in translation and printing of the Annual Report and Audited Accounts of CCRYN.

3.20 In view of the above, the Committee gather that the Ministry, as well as the CCRYN did not take seriously, the observations and recommendations of the Committee made in their Seventeenth Report (8th Lok Sabha) with the result the documents were laid on the Table of the House with considerable delay year after year. The Ministry, after having conveyed to CCRYN the observations and recommendations contained in the said Report of the Committee, it seems, did not feel the necessity of monitoring and pursuing for timely finalisation of the documents and the things were allowed to take their own time. Had the Ministry & CCRYN made sincere efforts for eliminating the delay, it could have been reduced to the minimum, if not eliminated altogether.

3.21 The Committee cannot but reiterate their earlier recommendations made in their Seventeenth Report (8th Lok Sabha) and stress that the Ministry in consultation with the Council and the Director of Audit should draw up a time schedule in such a manner that all formalities are completed in time and the documents are laid on the Table of the House within nine months of the close of the accounting year of the Council, in future.

## CHAPTER IV

### DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE NATIONAL TEXTILE CORPORATION LTD., NEW DELHI FOR THE YEAR 1991-92.

The National Textile Corporation Limited was set up in 1968 with the main object of managing the affairs of the sick textile undertakings taken over by Government; their rehabilitation, modernisation and expansion wherever necessary, with a view to making them economically viable.

4.2 The Annual Report and the Audited Accounts of National Textile Corporation Limited for the year 1991-92 were laid together with Review and Delay Statement on the Table of Lok Sabha on 18 March, 1994. As per the recommendation of the Committee on Papers Laid on the Table, contained in para 4.16 of their Second Report (Fifth Lok Sabha), the aforementioned documents should have been laid on the Table of Lok Sabha within 9 months of the close of the accounting year i.e. by 31 December, 1992. Thus, the period of delay in laying the Annual Report and Audited Accounts on the Table of Lok Sabha Came to about 14½ months.

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

“The Annual Report and the Audited Accounts of the NTC Ltd. for the year 1991-92 were adopted in the Annual General Meeting of the Company held on 29th Septemeber, 1993 thereafter the same were translated and printed copies of the report were sent to the Ministry of Textiles on 23rd November, 1993. In view of these reasons, the same could not be laid on the Table of the House during the winter session, 1992 of Parliament. NTC has been impressed upon the need to submit the documents to Parliament in future as per the time frame stipulated in this regard.”

4.4 In this connection, the Ministry of Textiles who were requested to furnish information on certain points had furnished the same as under:—

POINTS	REPLIES
1	2
The dates when:	
(a) The Company Law Board/ C&AG was approached for appointment of statutory auditors;	January, 1992

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(b) the statutory auditors were appointed;	January, 1992
(c) the accounts of the Corporation were compiled and were ready for being handed over to auditors;	May, 1992
(d) the accounts were handed over to auditors for auditing;	May, 1992
(e) the auditing of accounts commenced by the auditors and the time taken in it;	May, 1992- 12 months
(f) the annual report was finalised;	September, 1992-but the accounts were deferred by the Board for want of certain clarifications on tax matters and finally the accounts were adopted by the Board in May, 1993.
(g) the annual report and audited accounts were got approved from the Annual General Meeting;	September, 1993 -
(h) the annual report and audited accounts were taken up for translation and printing and the time taken in it;	1 month 20 days.
(i) the finalized annual report and audited accounts in both Hindi and English versions were sent to the Ministry of Textiles for being laid in Parliament;	23.11.1993
(j) the delay statement and review were prepared by the Ministry;	Yes, as attached.
(k) the annual report and audited accounts alongwith review Statement and Delay statement were got authenticated from the Minister; and	23 December, 1993
(l) the annual report and audited accounts of the National Textile Corporation Ltd. for the last three years i.e. 1988-89, 1989-90 and 1990-91 were laid on the Table of Lok Sabha.	1988-89—31 May, 1990 1989-90—10 January, 1991 1990-91—8 May, 1992

1	2
<p>The latest position regrading finalisation of the annual report(s) and audited accounts for the subsequent year(s) 1992-93, When these are expected to be laid on the Table of Lok Sabha.</p>	<p>Have been finalised and passed at the A.G.M. held on 20.6.1994. The Annual Report/Accounts are under printing and would be laid on the Table of the House shortly*</p>
<p>The remedial measures taken or proposed to be taken both in the Ministry and the Corporation to ensure timely laying of the annual reports and audited accounts within the prescribed period of nine months from the close of the accounting years, in future.</p>	<p>Every effort shall be made to send the Annual Report and Audited Accounts of the Corporation within the prescribed period in future.</p>

4.5 The Committee considered the matter at their sitting held on 2 March, 1995.

4.6 The Committee are concerned to note that the Annual Report and Audited Accounts of National Textiles Corporation Ltd., Delhi for the Year 1991-92, which in terms of the recommendations of the Committee contained in para 4.16 of their Second Report (Fifth Lok Sabha) were required to be laid on the Table of Lok Sabha by 31 December, 1992 i.e. within 9 months of the close of the accounting year, were actually laid after a delay of 14½ months i.e. on 18 March, 1994.

4.7 From the information furnished by the Ministry of Textiles, the Committee find that though the annual accounts were compiled and submitted to the statutory auditors in May 1992 i.e. within 2 months from the close of the accounting year, an unduly long period of 12 months was allowed to lapse at the stage of auditing of accounts. The Committee are constrained to feel that the Corporation did not make concerted efforts in getting the accounts audited speedily. Had they resolved expeditiously the queries/clarifications sought by the auditors and pursued with them vigorously for timely furnishing of audited accounts, much of the delay on this factor would have been curtailed.

4.8 The Committee regret to note that the Corporation did not call the Annual General Meeting immediately after the accounts were adopted by the Board in May, 1993. It took more than 3 months for the Corporation to convene the Annual General Meeting and to get the Annual Report and Audited Accounts approved from them. The Committee trust that care will

\* The Annual Report and Audited Accounts for the year 1992-93 were laid on 23.12.1994 i.e. after a delay of about one year.

be taken in future to see that the documents are placed before the A.G.M. as soon as they are approved and adopted by the Board.

4.9 The Committee further note with displeasure that the Ministry of Textiles after receipt of the documents from the National Textiles Corporation on 23.11.1993 took an unduly long period of about 4 months in laying them on the Table of the House on 18.3.1994. Had the Ministry taken prompt action in preparing Review and delay Statements and got the documents authenticated quickly from the Minister with a view to laying them during the Winter Session of Parliament in 1993, a delay of about 2½ months could have been avoided.

4.10 The Committee also note with concern that the Annual Report and Audited Accounts of National Textiles Corporation, Delhi for the year 1992-93 were laid on 23.12.1994 i.e. after a delay of about 12 months from the close of the accounting year and those for the year 1993-94, which were required to be laid on the Table of the House by 31 December, 1994, have not been laid till June, 1995. The Committee feel that the Ministry as well as the Corporation did not take seriously the matter of laying the required documents on the Table of the House within the stipulated period and have allowed the things to take their own time.

4.11 The Committee recommend that the Ministry of Textiles in consultation with National Textiles Corporation, Delhi should draw up a time bound schedule for the compilation of accounts, its auditing, approval of the documents from the competent authority, translation and printing of the documents and sending them to the Ministry for laying them on the Table of the House. In order to achieve the desired results, a senior officer, both in the Ministry and in the National Textiles Corporation, should monitor the progress made at each stage and ensure that the documents, complete in all respects, are sent to the Ministry well before the stipulated period. The Ministry, after receipt of the documents from the National Textiles Corporation, should promptly prepare Review and delay Statements and get the documents authenticated by the Minister with a view to laying the documents on the Table within the prescribed period of 9 months from the close of the accounting year.

NEW DELHI;  
17 November, 1995

26 Kartika, 1917 (Saka)

T.J. ANJALOSE,  
Chairman,  
Committee on Papers Laid on the Table.



## APPENDIX

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

Sl. No.	Reference to Para No. of the Report	Summary of Recommendations/Observations
1	2	3
1.	1.9	The Committee considered the question of fixation of ceiling of one time corpus for laying the Annual Report and Audited Accounts of such societies and felt that an amount of Rs. 50 lakh is quite a substantial amount for making the organisation accountable to Parliament. The Committee, therefore, recommend that the societies/organisations receiving one time assistance of Rs. 50 lakh or above should be required to lay their Annual Reports and audited Accounts before Parliament. In the case of societies receiving one time assistance of Rs. 10 lakh and below Rs. 50 lakh, all the Ministries/Departments of Government of India should be required to include in their own annual Reports, a statement showing the quantum of funds provided to each of these societies and the purpose for which the funds were utilised, for the information of the Members of Parliament.
2.	2.8	The Committee are unhappy to note that the Annual Report and Audited Accounts for the year 1991-92 of the National Institute of Naturopathy, Pune which, in terms of the recommendations contained in para 3.5 of the First Report (Fifth Lok Sabha) of Committee on Papers Laid on the Table, were required to be laid on the Table of the House by 31 December, 1992, were actually laid on the Table of the House on 17.3.1994 <i>i.e.</i> after a delay of about 14½ months. These documents for the year 1992-93 were also laid after delay of about 7½ months <i>i.e.</i> on 11.8.1994.
3.	2.9	The Committee are distressed to note from the information furnished by the Ministry that though the annual accounts were ready on 15.5.1992 for being handed over to the auditors, but they were actually handed over to them after 3½ months <i>i.e.</i> on 2.9.1992. The Committee do not find any justification for keeping the accounts with them after these were ready for being handed over to the auditors and the auditors were also there to audit accounts. Had the Institute taken steps to hand over the accounts to the Auditors immediately after the same were ready, a delay of 3½ months could have been avoided.

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1	2	3
4.	2.10	<p>The Committee note with concern that inspite of the fact that the auditing of accounts was completed on 14.9.1992, within 13 days of their submission on 2.9.1992, the audited accounts were received from the auditors as late as on 13.11.1992 i.e. after 2 months of completion of auditing. The Committee feel that the Institute did not make any effort obtain the audited accounts from the auditors soon after it was ready.</p>
5.	2.11	<p>The Committee further note with dissatisfaction that after receipt of the audited accounts from the auditors on 13.11.1992, the same were approved by the Governing Body after about 8 months i.e. on 22.7.1993. The Committee are not satisfied with the reply of the Ministry that due to preoccupations of the Minister and change of Minister, Governing Body meeting could not be convened. The Committee feel that the Ministry approached the Minister at a later stage for convening the meeting of the Governing Body. Had the Ministry and the Institute made sincere efforts for timely completion of various stages involved in finalisation of the documents, sufficient time would have been available for convening the Governing Body Meeting earlier.</p>
6.	2.12	<p>The Committee do not find justification in the reply of the Ministry about inordinate delay in translating the documents that the Institute had no translator and the translation work had to be done by the Ministry. Since the Ministry was aware that the documents were required to be laid on the Table in Hindi also, they should have initiated appropriate action in time for making arrangements for getting the documents translated into Hindi.</p>
7.	2.13	<p>The Committee find that the delay in laying the documents was reduced from 14½ months for the year 1991-92 to 7½ months for the year 1992-93.</p>
8.	2.14	<p>The Committee note with satisfaction that the Annual Report and Audited Accounts of the Institute for the year 1993-94 have been laid within the stipulated period of 9 months from the close of the accounting year i.e. on 19.12.1994. The Committee hope that the same spirit of laying the documents within the stipulated period shall be maintained by the Institute and the Ministry in future also.</p>

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9.	3.14	<b>The Committee note that the Annual Report and Audited Accounts of the Central Council for research in Yoga and Naturopathy (CCRYN) for the year 1991-92 were laid on the Table of Lok Sabha as late as on 17 March, 1994 i.e. after a delay of about 15 months.</b>
10.	3.15	<b>The Committee are distressed to note that there has been delay in laying the Annual Report and Audited Accounts of CCRYN year after year. These documents for the years 1988-89, 1989-90 and 1990-91 were also laid with delay. The documents for the year 1992-93 have again been laid with delay of about 7 months i.e. on 11.8.1994.</b>
11.	3.16	<b>The Committee find that the Council took 3½ months in compilation of the Annual Accounts; about 8 months were spent at the stage of auditing, as it appears from the delay statement laid on the Table; about 5 months were taken in translation and printing of Annual Report and Audited Accounts; 4 months were taken by the Ministry in preparing 'Review' and 'Delay' statements and thereafter 4 months in getting the documents authenticated from the Minister.</b>
12.	3.17	<b>The Committee take it very seriously that, during evidence, it was brought to their notice by the witness that the information furnished earlier by the Department of health regarding appointment of statutory auditors, was incorrect. The Committee feel that neither the Council nor the Ministry bothered to ensure that the correct information was sent to the Committee. They felt that these types of errors change the whole complexion. The lapse shows negligence on the part of the CCRYN and the Ministry. The Committee need hardly stress that before furnishing the information to Parliament, it must be ensured that the information furnished is true and correct.</b>
13.	3.18	<b>The Committee are concerned to note that the CCRYN took about 3 months to give replies to the points raised by the Audit in the draft audit report and the auditors thereafter took about 4 months to furnish the Audit Certificate alongwith the Audit Report. The Council should have promptly given the replies to the points raised by the auditors and asked them to furnish the certified audited accounts early. But the Council did not seem to have made any effort to curtail the time spent at the stage of auditing of accounts.</b>

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14.	3.19	The Committee further note with displeasure that about 5 months were allowed to lapse in translation and printing of the Annual Report and Audited Accounts of CCRYN.
15.	3.20	In view of the above, the Committee gather that the Ministry, as well as the CCRYN did not take seriously, the observations and recommendations of the Committee made in their Seventeenth Report (8th Lok Sabha) with the result the documents were laid on the Table of the House with considerable delay year after year. The Ministry, after having conveyed to CCRYN the observations and recommendations contained in the said Report of the Committee, it seems, did not feel the necessity of monitoring and pursuing for timely finalisation of the documents and the things were allowed to take their own time. Had the Ministry & CCRYN made sincere efforts for eliminating the delay, it could have been reduced to the minimum, if not eliminated altogether.
16.	3.21	The Committee cannot but reiterate their earlier recommendations made in their Seventeenth Report (8th Lok Sabha) and stress that the Ministry in consultation with the Council and the Director of Audit should draw up a time schedule in such a manner that all formalities are completed in time and the documents are laid on the Table of the House within nine months of the close of the accounting year of the Council, in future.
17.	4.6	The Committee are concerned to note that the Annual Report and Audited Accounts of National Textiles Corporation Ltd., Delhi for the year 1991-92, which in terms of the recommendations of the Committee contained in para 4.16 of their Second Report (Fifth Lok Sabha) were required to be laid on the Table of Lok Sabha by 31 December, 1992 <i>i.e.</i> within 9 months of the close of the accounting year, were actually laid after a delay of 14½ months <i>i.e.</i> on 18 March, 1994.
18.	4.7	From the information furnished by the Ministry of Textiles, the Committee find that though the annual accounts were compiled and submitted to the statutory auditors in May 1992 <i>i.e.</i> within 2 months from the close of the accounting year, an unduly long period of 12 months was allowed to lapse at the stage of auditing of accounts. The Committee are constrained to feel that the Corporation did not make concerted efforts in getting the accounts audited speedily. Had they resolved expeditiously the queries/clarifications sought by the auditors and pursued with them vigorously for timely furnishing of audited accounts, much of the delay on this factor would have been curtailed.

1	2	3
19.	4.8	The Committee regret to note that the Corporation did not call the Annual General Meeting immediately after the accounts were adopted by the Board in May, 1993. It took more than 3 months for the Corporation to convene the Annual General Meeting and to get the Annual Report and Audited Accounts approved from them. The Committee trust that care will be taken in future to see that the documents are placed before the A.G.M. as soon as they are approved and adopted by the Board.
20.	4.9	The Committee further note with displeasure that the Ministry of Textiles after receipt of the documents from the National Textiles Corporation on 23.11.1993 took an unduly long period of about 4 months in laying them on the Table of the House on 18.3.1994. Had the Ministry taken prompt action in preparing Review and Delay Statements and got the documents authenticated quickly from the Minister with a view to laying them during the Winter Session of Parliament in 1993, a delay of about 2½ months could have been avoided.
21.	4.10	The Committee also note with concern that the Annual Report and Audited Accounts of National Textiles Corporation Delhi for the year 1992-93 were laid on 23.12.1994 <i>i.e.</i> after a delay of about 12 months from the close of the accounting year and those for the year 1993-94, which were required to be laid on the Table of the House by 31 December, 1994, have not been laid till June, 1995. The Committee feel that the Ministry as well as the Corporation did not take seriously the matter of laying the required documents on the Table of the House within the stipulated period and have allowed the things to take their own time.
22.	4.11	The Committee recommend that the Ministry of Textiles in consultation with National Textiles Corporation, Delhi should draw up a time bound schedule for the compilation of accounts, its auditing, approval of the documents from the competent authority, translation and printing of the documents and sending them to the Ministry for laying them on the Table of the House. In order to achieve the desired results, a senior officer, both in the Ministry and in the National Textiles Corporation, should monitor the progress made at each stage and ensure that the documents, complete in all respects, are sent to the Ministry well before the stipulated period. The Ministry, after receipt of the documents from the National Textiles Corporation, should promptly prepare Review and Delay Statements and get the documents authenticated by the Minister with a view to laying the documents on the Table within the prescribed period of 9 months from the close of the accounting year.