

**COMMITTEE ON PAPERS LAID ON THE TABLE  
(2007-2008)**

**FOURTEENTH LOK SABHA**

**NINETEENTH REPORT**

**(Presented on 21 November, 2008)**

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**LOK SABHA SECRETARIAT  
NEW DELHI**

**July , 2008/ Asadha 1930(Saka)**

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Report

**COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE**  
**(2007-2008)**

**Shri Hannan Mollah - Chairman**

**MEMBERS**

2. Shri Avtar Singh Bhadana
3. Shri Adhir Chowdhury
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**SECRETARIAT**

Shri P.K. Grover	-	Joint Secretary
Shri R.S.Misra	-	Director
Shri K. Jena	-	Deputy Secretary

## **INTRODUCTION**

I, the Chairman of the Committee on Papers Laid on the Table of the House, having been authorized by the Committee to present this report on their behalf, present this Nineteenth Report.

2. As a result of examination of certain papers laid on the Table of Lok Sabha, the Committee have come to certain conclusions in regard to (i) Increase in monetary ceiling of Private and Voluntary Organisations receiving recurring grants-in-aid from Rs. 5 Lakh to Rs. 25 Lakh and above (ii) delay in laying of the Annual Reports and Audited Accounts of the Indian Red Cross Society, New Delhi.

3. The Committee took oral evidence of the representatives of the Ministries of Finance (Departments of Expenditure and Revenue) and Parliamentary Affairs in connection with increase in monetary ceiling from Rs. 5 Lakh to Rs. 25 Lakh and above of Private and Voluntary Organisations receiving recurring grants-in-aid on 01.8.2007 and the representatives of Ministry of Health and Family Welfare in connection with delay in laying the Annual Reports and Audited Accounts of Indian Red Cross Society, New Delhi on 22.11.2007.

4. The Committee wish to express their thanks to the representatives of the Ministries of Finance (Departments of Expenditure and Revenue), Parliamentary Affairs and Health and Family Welfare for appearing before the Committee and furnishing the information required by the Committee.

5. The Committee considered and adopted this Report at their sitting held on 08.07.2008.

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

**NEW DELHI**  
**July, 2008**  
**Asadha, 1930 (Saka)**

**HANNAN MOLLAH,**  
**Chairman,**  
**Committee on Papers Laid on the Table**

## CHAPTER - I

### **Increase in monetary ceiling of Private and Voluntary Organisations receiving recurring grants-in-aid from Rs. 5 Lakh to Rs. 25 Lakh and above for laying of Annual Reports and Audited Accounts**

General Financial Rule 151(2) requires that the Annual Reports and Audited Accounts of the Organisations/Societies registered under the Registration of Societies Act and receiving financial Assistance from the government, should be laid on the Table of the House within 9 months of the close of the accounting year. The Committee on Papers Laid on the Table have also time and again stressed that all autonomous organisations, Societies etc which are financed out of funds drawn from the Consolidated Fund of India should lay their Annual Reports/Audited Accounts on the Table of the House within nine months after the close of the financial year.

1.2 The Committee on Papers Laid on the Table had recommended vide para 4.16 in their 19<sup>th</sup> Report (7<sup>th</sup> LS) (1983-84) as under:-

*“that the Annual Reports and Audited Accounts of private & voluntary organizations receiving recurring grants in aid to the tune of Rs. 5 lakh and above should be laid on the Table of the House. In the case of private and voluntary organizations receiving grant-in-aid upto Rs. 5 lakh, all the Ministries/Departments of Government of India should include in their own Annual Reports a statement showing the quantum of fund provided to each of those organizations and the purpose for which these were utilized for the information of the Members of Parliament”.*

Based on this recommendation a provision was accordingly made by the Ministry of Finance in General Financial Rules in January, 1986.

1.3 On 23<sup>rd</sup> July, 1996 the Ministry of Parliamentary Affairs forwarded a copy of the O.M. No. 1214(3)-EII(A)/95 dated 7 June, 1996 received from the Ministry of Finance (Department of Expenditure) wherein the Ministry of Finance proposed that the minimum monetary ceiling of Rs. 5 Lakh which was fixed as far back as in 1986 needed suitable upward revision keeping in view the decline in the real value of the rupee.

1.4 The erstwhile Committee considered the matter at their sitting held on 7.5.1997 and decided that the views of the Ministries of Parliamentary Affairs, Finance, Human Resource Development and Health and Family Welfare who gave grants to a large number of voluntary organisations might be ascertained to find out as to what should be the minimum monetary ceiling for laying separately the Annual Reports and Audited Accounts of the Private and voluntary organisations which are aided/funded by the Government of India. The Committee again considered the matter at their sitting held on 28.4.2000 and decided that the views of the Secretaries of the above Ministries/Departments might be heard in the matter. However, there could not be any progress in the matter.

1.5 It may be mentioned in this connection that usually the Comptroller & Auditor General undertake audit examination of the bodies or authorities, which are substantially financed from the Union or States where the grant is not less than Rs. 25 Lakh. Rule 150(2) of the General Financial Rules of the Ministry of Finance also provides that “accounts of the grantee institution shall be audited by the Comptroller and Auditor General of India, if the grants or loans to the institution in a financial year are not less than 25 Lakhs...”

1.6 The Committee at their sitting held on 9.4.2007 discussed the proposal for increase of the monetary ceiling for laying of Annual Reports and Audited Accounts of Private and Voluntary Organisations receiving recurring grants-in-aids of Rs. 5 Lakh and above. The Committee were of the opinion that the proposal needed considerable deliberation before arriving at a logical limit.

1.7 The Committee then decided to examine the Ministries of Finance (Department of Revenue and Expenditure) and Parliamentary Affairs on the subject. Accordingly the representatives of Ministries of Parliamentary Affairs and Finance were called for evidence before the Committee to know their views about the matter.

1.8 The Committee desired to know the factors responsible for upward revision in the minimum monetary ceiling besides the decline in the real value of the rupee. The Ministry of Finance (Department of Expenditure) stated in a written note as under-

*“The monetary limit for laying, on the Table of the House, the Annual Reports and Accounts of private and voluntary organizations, receiving recurring grants-in-aid of more than Rs.5 Lakh, was fixed way back in*

1986. Since then, there has been an increase in overall Government expenditure and inflation. Upward revision in the ceiling was, therefore, required. In 1986-87, the total Central Govt. expenditure was Rs. 62,916 Crore, whereas it has increased to Rs. 5,81,637 Crore in the year 2006-07(RE). While revenue expenditure was to the tune of Rs. 40,860 crore and capital expenditure was to the tune of Rs. 22,056 crore in the year 1986-87, these rose up to Rs.5,06,767 crore and Rs.74,870 crore respectively in the year 2006-07 (RE).

Further, there was also an increase in Grants-in-aid exceeding Rs. 5 Lakh (Recurring) or Rs.10 Lakh (Non-recurring) to Private Institutions/Organizations/Individuals sanctioned by Central Govt. Ministries/Departments. In the year 1996-97, the total number of items was 849, while in the year 2005-06 it increased upto 2279.

Hence, the monetary ceiling fixed way back in 1986 needed a review. This is corroborated by the views of different Ministries received between June, 1997 and January, 1998 suggesting upward revision in this regard.”

1.9 The Committee then asked specifically as to what according to the Ministry should be the criteria for arriving at the revised monetary ceiling, The Ministry replied in a written note as under-

“On the basis of the directions of the Cabinet Secretariat, Ministry of Finance had constituted a Task Force to review the General Financial Rules so as to ensure that these are in tune with the imperatives of a liberalized and growing economy. After calling for suggestions from all Ministries/Departments of Government of India, the Task Force submitted its report to the Government. One of the recommendations of the Task Force was to enhance the ceiling of Rs. 5 lakh and above, for laying the annual reports and accounts of private and voluntary organizations receiving recurring grant-in-aid, on the Table of the House. This recommendation was accepted by the Government and the monetary ceiling was enhanced to Rs. 25 lakh from the then existing Rs. 5 lakh. The criteria in enhancement of ceiling have been determined by the general growth in expenditure of the nature, inflationary trends and the value of the rupee.”

1.10 On this point, the Secretary, Department of Expenditure stated during evidence as under-

“On the basis of the recommendations of the Task Force, the General Financial Rules have been revised and amended with effect from 1.7.2005. As a part of this overall amendment of the GFRs, the monitory limits in respect of private and voluntary organization which are receiving recurring grants-in-aid have also been revised. Rs. 5 lakh limit has been

*raised to Rs. 25 lakh. So the position, which obtains today is set down in Rule 212(2) of GFRs 2005 which basically states that the Annual Reports and Accounts of private and voluntary organizations receiving recurring grants-in-aid to the tune of Rs. 25 lakh and above should be laid down on the Table of the House within nine months of the close of the succeeding financial year. In the case of private and voluntary organisation receiving recurring grants-in-aid from Rs. 10 lakh to 25 lakh, all the Ministries/Departments of the Government of India should include in their Annual Report a statement showing the quantum of funds provided to each of these organisation and the purpose for which they were utilized for the information of the Parliament. This is the situation, which obtains today. Rs. 5 lakh have been raised to Rs. 25 lakh. As far as inclusion in the Annual Reports that Rs. 1 lakh to Rs. 5 lakh limit has been raised to Rs. 10 lakh and Rs. 25 lakh, this is the position, which obtains today.”*

1.11 The Committee during evidence desired to know from the Ministry the reasons for not intimating them the enhancement of the monitory ceiling though the limit has since been increased from Rs. 5 Lakhs to Rs. 25 Lakhs.

The Secretary, Department of Expenditure in this connection stated as under-

*“I will have to check whether we have sent any formal communication to the Committee. If there is any omission, I would express my regrets on this account.”*

In this regard, he further added as under-

*“We will take note of that. We will issue another circular to reiterate these limits.”*

**1.12 The Committee note that upon their recommendation made in their 19<sup>th</sup> Report (7<sup>th</sup> L.S.) para 4.16 that the Annual Reports and Audited Accounts of private and voluntary organisations receiving recurring grants in aid to the tune of Rs. 5 Lakh and above should be laid on the Table of the House, a provision to this effect was made in the General Financial Rules in January 1986 by the Ministry of Finance. The Ministry of Parliamentary Affairs subsequently on a suggestion from Ministry of Finance proposed for upward revision in the monetary ceiling keeping in view the decline in the real value of the rupee, overall Government expenditure, inflation and increase in grants-in-aid. Further on the basis of the directions of the Cabinet Secretariat, Ministry of Finance constituted a Task Force to review the General Financial Rule so as to ensure that the revised monetary ceilings are in tune**



with the imperatives of a liberalized and growing economy. After calling suggestions from all Ministries/Departments of Government of India the Task Force submitted its report to the Government. One of the recommendations of the Task Force was to enhance the ceiling of Rs. 5 Lakh for laying on the Table of the House the Annual Reports and Audited Accounts of private and voluntary organisation receiving recurring grants-in-aid. The recommendation was accepted by the Government and the monetary ceiling was enhanced to Rs. 25 Lakh from Rs. 5 Lakh and accordingly the General Financial Rules amended with effect from 1.7.2005.

1.13. The Committee are dismayed to note that though the Ministry of Finance are well aware that the Parliamentary Committee on Papers Laid on the Table examine the Annual Reports and Audited Accounts of all organisations which are laid on the Table of the House, they did not care to even inform the Committee regarding enhancement of the monetary ceiling from Rs. 5 Lakh to Rs. 25 Lakh in time. While taking serious note of this fact the Committee desire that whenever a decision is taken by any ministry relating to papers/documents to be laid on Table of the House the Parliamentary Committee on Papers Laid on the Table should invariably be intimated in time in future. The Copy of the amended General Financial Rules alongwith the copy of instructions issued to various ministries regarding increase in the monetary ceiling should also be made available to the Committee at the earliest.

## **CHAPTER - II**

### **Delay in laying the Annual Reports and Audited Accounts of Indian Red Cross Society.**

...

Indian Red Cross Society, an autonomous body was constituted by an Act of British Indian Parliament in the year 1920 to provide services to the most vulnerable people of the Society affected by man made as well as natural disasters. The Society receives token grant from Government of India for its normal expenses. During the period 1989 to 2004 it received grants of Rs. 2,14,30,000.

2.2 The General Financial Rules 151 (2) as well as the recommendation of the Committee on Papers Laid on the Table provide that the Annual Reports and Audited Accounts of autonomous organisations/registered societies receiving grants-in-aid from the Government of India are required to be laid on the Table of the House within 9 months of the close of the accounting year i.e. by 31 December every year. The Annual Reports and Audited Account of the Society for the years from 1989 to 2003-04 were laid together on the Table of the House on 23.8.2006 with inordinate delay ranging from 1½ to 15 years. The Annual Reports and Audited Accounts prior to 1989 and for the years 2004-05, 2005-06 and 2006-07, which should have been laid by 31 December of respective accounting years have not been laid so far.

2.3 The Committee have emphasised in the past that if for any reason the Annual Report and Audited Accounts could not be laid within stipulated period of time of nine months of the close of the financial year, the Ministry should lay within 30 days of expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons for not laying the report and accounts within stipulated time period. However the delay statements in respect of any of the above said years (except 2004-05) had not been laid by the Ministry of Health and Family Welfare.

2.4 The Committee have also emphasized in the past that in the statement of reasons for delay the Government should invariably indicate in chronological order the dates of finalisation of the reports and accounts, their submission to audit, issue of inspection

reports, replies given on points raised in the reports and finally the receipt of the audit certificate from the audit authorities so that the House may identify the stage and extent of delay and suggest the remedial measures therefor. However, no such details have been given in the delay statements laid along with the documents of the Society pertaining to the years 1989 to 2003-04. On being pointed out on this issue the Ministry of Health and Family Welfare have furnished the following statement:-

Annual Accounts					Annual Reports				
Sr. No.	Year	Date of Audit of Accounts	Approved by the Finance Committee	Approved by the Managing Body (Chaired by Hon'ble HFM & Chairman, IRCS)	Year	Approved by the Managing Body (Chaired by Hon'ble HFM & Chairman, IRCS)	Date of Adoption in the AGM (Presided over by H.E. the President of India & President, IRCS)	Date of Annual Reports and Annual Accounts sent for translation in Hindi	Date of Annual Reports** and Annual Accounts sent to the Ministry for laying in the Parliament
1.	1989	12.12.1990	--	25.03.1991	1989	25.03.1991	25.09.2001	31.07.2003 16.02.2006	07.05.2003 (E) 05.05.2006 (H.E.) 18.05.2006 (H.E.) 27.07.2006 (H.E.)
2.	1990	16.03.1992	12.04.1995	17.04.1995	1990	24.09.2001	25.09.2001	31.07.2003 16.02.2006	07.05.2003 (E) 05.05.2006 (H.E.) 18.05.2006 (H.E.) 27.07.2006 (H.E.)
3.	1991	01.03.1993	12.04.1995	17.04.1995	1991	24.09.2001	25.09.2001	31.07.2003 16.02.2006	07.05.2003 (E) 05.05.2006 (H.E.) 18.05.2006 (H.E.) 27.07.2006 (H.E.)
4.	1992	27.01.1995	--	05.01.1996	1992	24.09.2001	25.09.2001	31.07.2003 16.02.2006	07.05.2003 (E) 05.05.2006 (H.E.) 18.05.2006 (H.E.) 27.07.2006 (H.E.)
5.	1993-94 (upto 31.03.94)	22.11.1995	--	05.01.1996	1993-94	24.09.2001	25.09.2001	31.07.2003 16.02.2006	07.05.2003 (E) 05.05.2006 (H.E.) 18.05.2006 (H.E.) 27.07.2006 (H.E.)
Annual Accounts					Annual Reports				
Sr. No.	Year	Date of Audit of Accounts	Approved by the Finance Committee	Approved by the Managing Body (Chaired by Hon'ble HFM & Chairman, IRCS)	Year	Approved by the Managing Body (Chaired by Hon'ble HFM & Chairman, IRCS)	Date of Adoption in the AGM (Presided over by H.E. the President of India & President, IRCS)	Date of Annual Reports and Annual Accounts sent for translation in Hindi	Date of Annual Reports and Annual Accounts sent to the Ministry for laying in the Parliament
6..	1994-95	10.06.1997	07.11.1997	29.12.1998	1994-95	24.09.2001	25.09.2001	31.07.2003 16.02.2006	07.05.2003 (E) 05.05.2006 (H.E.) 18.05.2006 (H.E.) 27.07.2006 (H.E.)

7.	1995-96	20.11.1998	--	01.03.2001	1995-96	24.09.2001	25.09.2001	31.07.2003 16.02.2006	07.05.2003 (E) 05.05.2006 (H.E.) 18.05.2006 (H.E.) 27.07.2006 (H.E.)
8.	1996-97	16.06.2000	--	01.03.2001	1996-97	24.09.2001	25.09.2001	31.07.2003 16.02.2006	07.05.2003 (E) 05.05.2006 (H.E.) 18.05.2006 (H.E.) 27.07.2006 (H.E.)
9.	1997-98	16.06.2000	--	01.03.2001	1997-98	24.09.2001	25.09.2001	31.07.2003 16.02.2006	07.05.2003 (E) 05.05.2006 (H.E.) 18.05.2006 (H.E.) 27.07.2006 (H.E.)
10.	1998-99	06.12.2000	--	01.03.2001	1998-99	24.09.2001	25.09.2001	31.07.2003 16.02.2006	07.05.2003 (E) 05.05.2006 (H.E.) 18.05.2006 (H.E.) 27.07.2006 (H.E.)
11.	1999-2000	08.02.2001	--	24.09.2001	1999-2000	24.09.2001	25.09.2001	31.07.2003 16.02.2006	07.05.2003 (E) 05.05.2006 (H.E.) 18.05.2006 (H.E.) 27.07.2006 (H.E.)
12.	2000-01	02.11.2001	03.01.2002	16.10.2002	2000-01	16.10.2002	13.10.2004	31.07.2003 16.02.2006	05.05.2006 (H.E.) 18.05.2006 (H.E.)
13.	2001-02	05.08.2002	06.08.2002	16.10.2002	2001-02	16.10.2002	13.10.2004	05.03.2004 16.02.2006	05.05.2006 (H.E.) 18.05.2006 (H.E.)
14.	2002-03	16.07.2003	--	16.07.2003	2002-03	16.07.2003	13.10.2004	05.03.2004 16.02.2006	05.05.2006 (H.E.) 18.05.2006 (H.E.)
15.	2003-04	15.09.2004	--	15.09.2004	2003-04	15.09.2004	13.10.2004	05.03.2004 16.02.2006	05.05.2006 (H.E.) 18.05.2006 (H.E.)

2.5 It may be seen from the above statement that the Ministry/Society have not furnished the detailed particulars in chronological order to enable the Committee to identify the stages where the delay occurred.

2.6 Considering the delays in laying the Annual Reports and Audited Accounts, the Committee decided (on 30.10.07) to take oral evidence of the representatives of the Ministry of Health and Family Welfare on the subject. Accordingly, the representatives of the Ministry concerned appeared before the Committee on 22.11.07.

2.7 Explaining the reasons for delay at the stage of compilation of accounts for the years 1989 to 2003-04, the representative, Ministry Health and Family Welfare stated during evidence as under:-

*“They have 700 branches. Each branch has to render accounts. All over the country, 700 branches have to submit reports and to render accounts. After that, when the branch reports move upwards, it comes to the district*

*and then to State level and then here. There have been defaulters even in the districts and the States who were holding these Reports.”*

2.8 As regards problem faced by the Ministry/Society in laying the documents for the years 1989 to 2003-04, the Ministry Health and Family Welfare in their written reply (dated 21.11.2007) stated as under:-

*“The Indian Red Cross Society did not have a regular Secretary General for 7 years, there was no qualified chartered accountant to head its department of finance for a considerable time, there were no qualified Programme officers, non computerization of the finance and Programme departments were some of the reasons for delay in entire process of laying the reports on the Table of the Sabha.”*

On this point the representative during evidence further stated as under:-

*“There was a restraint order from court. Some employees of Red Cross had also gone to the court making allegations against a particular Secretary-General and seeking restraint against discharge of functions of a Secretary-General. A person was appointed, but even then there were complaints.”*

2.9 When the Ministry of Health and Family Welfare were asked to state whether non-regular Secretary General of the Society was not empowered to take decision relating to early compilation and approval of Accounts of the Society, the Ministry in their written reply (dated 21.11.2007) stated as under:-

*“Non-regular Secretary Generals of the Society are fully empowered to take decisions relating to compilation of reports and preparation of Accounts. However as mentioned above lack of qualified finance professionals and Programme officers caused inordinate delay.”*

2.10 To overcome delay in laying the documents on the Table of the House, the Ministry of Health and Family Welfare in their written reply (dated 21.11.2007) stated as under:-

*“Now the Society has a regular Secretary General who himself review the work relating to Accounts/Reports every week. Finance & Accounts department has been computerised and Chartered Accountants have been appointed, Programme Officers are now in place to provide financial and narrative reports. All this will help in minimizing the delay in preparation and consolidation of Reports and Accounts and laying the same in the Parliament.”*

2.11 As regards delay at the stage of getting approval of documents of the Society for the years 1989 to 2003-04 from the General Body, the Ministry in their written reply (date 21.1.2007) have stated as under: -

*“As per the Indian Red Cross Society Act XV of 1920 and corresponding rules a General Meeting of the Society shall be held once a year at the station of the Headquarters of the Society upon a date (or dates) to be fixed by H.E. the President of India as the President of the Society.”*

The representative during evidence stated in this regard as under: -

*“If I may share with you that the AGM was held in 2001 and for the second time, in 2004.”*

2.12 When the Committee pointed out during evidence that in order to avoid delay in taking approval of the documents from General Body of the Society, the Ministry of Health and Family Welfare may review the question by delegating some of the activities like approving the annual accounts, the representative stated as under:-

*“I would acknowledge the suggestion which you have made. We would like to do it if it can relieve the hon. President of this routine work. We would like to do it, but then we have to amend the Act. The AGM can delegate it to the Managing Committee, which is headed by the Health Minister.”*

2.13 When asked to state whether the Ministry/Society have laid down the time schedule giving target dates for completion of work at each stage regarding finalisation of annual accounts and report, the Ministry have stated that a time schedule giving target dates for completion of each stage of finalisation of Annual Accounts and Annual Report of Indian Red Cross Society, has been prepared and sent to them for compliance which reproduced as under-

1.	Trial Balance of each fund and scrutiny of ledger accounts of each fund (Total 10 Funds)	2 Months
2.	Bank Reconciliation	2 Months
3.	Interest reconciliation with individual FDRs	15 Days
4.	Sharing of Common Expenses to all the funds	15 Days
5.	Inter Fund Reconciliation	15 Days
6.	List of Debtors & Creditors and reconciliation with ledger	15 Days
7.	Store Valuation and its checking with ledger	15 Days
8.	Outstanding Stores bills – its checking with ledger	15 Days

9.	Foreign exchange return (FC3) – reconciliation and audit	1 Month
10.	Preparation of annual accounts viz. Income & Expenditure Account and Balance Sheet for each fund (for all 10 Funds)	1 Month
11.	Consolidated annual accounts for the Society as a whole on 31 <sup>st</sup> of March	15 Days
12.	Auditing by both the statutory auditors	3 Months
13.	Consideration by Finance Committee for approval	Whenever the Committee meets
14.	Approval by the Managing Body	As and when Managing Body meets
15.	Adoption of AGM	Upon a date fixed by H.E. the President

From the above time schedule, it may be concluded that the Society will never lay the documents on the Table of the House within stipulated time period because the Society will take 12 ½ months (except approval of documents) to send the documents to the Ministry of laying them before Parliament. It may be pointed out that before laying the documents in the House, the Ministry have to complete certain formalities viz. preparation of review of performance and activities of the Society, authentication of the documents from their Minister and sending the documents to Parliament for laying.

2.14 Giving latest position regarding finalization and laying of Annual Report for the years 2004-05 and 2005-2006, the Ministry in a written reply (O.M. dated 21.11.2007) have stated as under:-

*“The Managing Body at its meeting held on 6.3.2007 approved the Annual Reports and Audited Statement of Accounts for the years 2004-05 and 2005-06. But these are yet to be adopted in the Annual General Meeting of the IRCS following which these can be sent to the Ministry of Health & Family Welfare for laying on the Table of the House. In the said Managing Body Meeting, the Hon’ble Chairman was requested to write to H.E. the President to take a date for General Body Meeting after holding the meeting.”*

**2.15 The Committee are distressed to note that there has been inordinate delay in laying the documents of the Indian Red Cross Society for the years 1989 to 2003-04. The Annual Reports and Audited Accounts prior to the year 1989 and for the years from 2004-05 to 2006-07, which should have been laid on the Table of the House by 31 December of respective accounting years, have not been laid so far. The reasons**

for delay put forth by the Ministry such as collection of accounts from the 700 branches of the Society spread all over the country, absence of regular Secretary General for about 7 years, absence of qualified chartered accountants and qualified programme officers are not at all convincing to the Committee. The Committee, therefore, strongly recommend that both the Ministry and the Society should take adequate steps in advance in order to curtail delays in these regards and ensure that the documents are laid on the Table of the House within stipulated period of time. Steps taken may also be intimated to the Committee.

2.16 The Committee have recommended that in the “Delay Statement”, the Government should invariably indicate in chronological order the dates of finalization of reports and accounts, their submission to audit, issue of inspection report, replies given on points raised in the report and finally the receipt of audit report from the audit authorities so that the Committee may identify the stages and extent of delay and suggest remedial measures therefor. However the Committee observe that the delay statements given by the Ministry of Health and Family Welfare did not contain the information in chronological order. The Committee, therefore, reiterate their earlier recommendation and urge the Ministry to follow it in future.

2.17 The Committee further note that documents for the years 1989 to 2003-2004 were not laid on the Table in time due to delay in convening the meeting of General Body of the Society which is chaired by H.E. President of India. In the opinion of the Committee the Ministry should have devised ways and means to call the General Body meeting well in time to avoid delay in getting approval of the documents of the Society. The steps taken for timely convening of the AGM in future may be communicated to the Committee.

2.18 The Committee note that a time schedule for laying the documents has been drawn by the Ministry of Health and Family Welfare. The Committee, however, observe that if the society follows the time schedule formulated by the Ministry the documents would never be laid on the Table of the House within the stipulated time period because the Society itself will take 12 ½ months (except approval of documents) to send the documents to the Ministry for laying them before



Parliament. It may be pointed out that before laying the documents in the House, the Ministry have to complete certain formalities viz. preparation of review of performance and activities of the Society, authentication of the documents by the Minister and sending the same to the Parliament for laying. The Committee, therefore, recommend that the time schedule may be drawn afresh by the Ministry to facilitate timely laying of the documents and the Committee be apprised of the action taken in this regard.

NEW DELHI  
July, 2008  
Asadha, 1930 (Saka)

HANNAN MOLLAH,  
Chairman,  
Committee on Papers Laid on the Table

## APPENDIX

### SUMMARY OF RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE REPORT

Sl. No.	Ref. to Para No. of the Report	Summary of Recommendations/Observations
1.	1.12	<p>The Committee note that upon their recommendation made in their 19<sup>th</sup> Report (7<sup>th</sup> L.S.) para 4.16 that the Annual Reports and Audited Accounts of private and voluntary organisations receiving recurring grants in aid to the tune of Rs. 5 Lakh and above should be laid on the Table of the House, a provision to this effect was made in the General Financial Rules in January 1986 by the Ministry of Finance. The Ministry of Parliamentary Affairs subsequently on a suggestion from Ministry of Finance proposed for upward revision in the monetary ceiling keeping in view the decline in the real value of the rupee, overall Government expenditure, inflation and increase in grants-in-aid. Further on the basis of the directions of the Cabinet Secretariat, Ministry of Finance constituted a Task Force to review the General Financial Rule so as to ensure that the revised monetary ceilings are in tune with the imperatives of a liberalized and growing economy. After calling suggestions from all Ministries/Departments of Government of India the Task Force submitted its report to the Government. One of the recommendations of the Task Force was to enhance the ceiling of Rs. 5 Lakh for laying on the Table of the House the Annual Reports and Audited Accounts of private and voluntary organisation receiving recurring grants-in-aid. The recommendation was accepted by the Government and the monetary ceiling was enhanced to Rs. 25 Lakh from Rs. 5 Lakh and accordingly the General Financial Rules amended with effect from 1.7.2005.</p>

2. 1.13. The Committee are dismayed to note that though the Ministry of Finance are well aware that the Parliamentary Committee on Papers Laid on the Table examine the Annual Reports and Audited Accounts of all organisations which are laid on the Table of the House, they did not care to even inform the Committee regarding enhancement of the monetary ceiling from Rs. 5 Lakh to Rs. 25 Lakh in time. While taking serious note of this fact the Committee desire that whenever a decision is taken by any ministry relating to papers/documents to be laid on Table of the House the Parliamentary Committee on Papers Laid on the Table should invariably be intimated in time in future. The Copy of the amended General Financial Rules alongwith the copy of instructions issued to various ministries regarding increase in the monetary ceiling should also be made available to the Committee at the earliest.
3. 2.15 The Committee are distressed to note that there has been inordinate delay in laying the documents of the Indian Red Cross Society for the years 1989 to 2003-04. The Annual Reports and Audited Accounts prior to the year 1989 and for the years from 2004-05 to 2006-07, which should have been laid on the Table of the House by 31 December of respective accounting years, have not been laid so far. The reasons for delay put forth by the Ministry such as collection of accounts from the 700 branches of the Society spread all over the country, absence of regular Secretary General for about 7 years, absence of qualified chartered accountants and qualified programme officers are not at all convincing to the Committee. The Committee, therefore, strongly recommend that both the Ministry and the Society should take adequate steps in advance in order to curtail delays in these regards and ensure that the documents are laid on the Table of the House within stipulated period of time. Steps taken may also be intimated to the Committee.

4. 2.16 The Committee have recommended that in the “Delay Statement”, the Government should invariably indicate in chronological order the dates of finalization of reports and accounts, their submission to audit, issue of inspection report, replies given on points raised in the report and finally the receipt of audit report from the audit authorities so that the Committee may identify the stages and extent of delay and suggest remedial measures therefor. However the Committee observe that the delay statements given by the Ministry of Health and Family Welfare did not contain the information in chronological order. The Committee, therefore, reiterate their earlier recommendation and urge the Ministry to follow it in future.
5. 2.17 The Committee further note that documents for the years 1989 to 2003-2004 were not laid on the Table in time due to delay in convening the meeting of General Body of the Society which is chaired by H.E. President of India. In the opinion of the Committee the Ministry should have devised ways and means to call the General Body meeting well in time to avoid delay in getting approval of the documents of the Society. The steps taken for timely convening of the AGM in future may be communicated to the Committee.
6. 2.18 The Committee note that a time schedule for laying the documents has been drawn by the Ministry of Health and Family Welfare. The Committee, however, observe that if the society follows the time schedule formulated by the Ministry the documents would never be laid on the Table of the House within the stipulated time period because the Society itself will take 12 ½ months (except approval of documents) to send the documents to the Ministry for laying them before Parliament. It may be pointed out that before laying the documents in the House, the Ministry have to complete certain formalities viz. preparation of review of performance and activities of the Society, authentication of the documents by the Minister and sending the same to the Parliament for laying. The Committee,

**therefore, recommend that the time schedule may be drawn afresh by the Ministry to facilitate timely laying of the documents and the Committee be apprised of the action taken in this regard.**