

**CONFIDENTIAL**

**COMMITTEE ON PAPERS LAID ON THE TABLE  
(2005-2006)**

**FOURTEENTH LOK SABHA**

**FIFTH REPORT**

**(Presented on 6.12.2005)**

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**LOK SABHA SECRETARIAT  
NEW DELHI**

**December, 2005/Agrahayana 1927(Saka)**

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**COMPOSITION OF THE COMMITTEE ON PAPERS LAID ON THE TABLE**  
**(2005-2006)**

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5. Shri Sukhdev Singh Dhindsa
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13. Shri Tarachand Sahu
14. Dr. Arun Kumar Sarma
15. Shri Bagun Sumbrai

**S E C R E T A R I A T**

Shri John Joseph	-	Secretary
Shri R.C. Ahuja	-	Joint Secretary
Shri R.K. Bajaj	-	Deputy Secretary

## **INTRODUCTION**

I, the Chairman of the Committee on Papers Laid on the Table of the House, having been authorised by the Committee to present this report on their behalf, present this Fifth 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 delay in laying of the Annual Reports and Audited Accounts of the (i) Kendriya Vidyalaya Sangathan, New Delhi; (ii) Sports Authority of India, New Delhi; (iii) Central Council for Research in Yoga & Naturopathy, New Delhi; and (iv) Housing and Urban Development Corporation Ltd., New Delhi.

3. The Committee took oral evidence of the representatives of the Ministry of Human Resource Development (Department of Secondary and Higher Education) Ministry of Youth Affairs and Sports and the Ministry of Urban Employment & Poverty Alleviation in connection with delay in laying the Annual Reports and Audited Accounts of Kendriya Vidyalaya Sangathan, Sports Authority of India and Housing and Urban Development Corporation, New Delhi on 10.9.2004, 7.2.2005 and 15.9.2005 respectively.

4. The Committee wish to express their thanks to the representatives of the Ministry of Human Resource Development (Department of Secondary & Higher Education); Ministry of Youth Affairs and Sports and Ministry of Urban Employment & Poverty Alleviation 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 1.12.2005.

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

NEW DELHI  
December, 2005  

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Agrahayana, 1927 (Saka)

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

**REPORT**  
**CHAPTER-I**

**DELAY IN LAYING ANNUAL REPORTS AND AUDITED ACCOUNTS OF  
KENDRIYA VIDYALAYA SANGATHAN**

The Kendriya Vidyalaya Sangathan, an autonomous body under the Department of Secondary and Higher Education of the Ministry of Human Resource Development was set up in 1965 as a Society registered under the Societies Registration Act of 1860. The Sangathan is financed mainly by grants from the Government of India. During the year 2002-03 the Sangathan received grants in aid of Rs. 629.77 crore. The audit of accounts of the Sangathan has been entrusted to the Comptroller & Auditor General of India.

1.2. The details regarding year-wise date of laying of Annual Reports and Audited Accounts of the Sangathan for the years 1996-97 to 2002-2003 and the extent of delay for each year are as under:-

<u>Year</u>	<u>Annual Report</u>		<u>Audited Accounts</u>	
	<u>Date of laying</u>	<u>Extent of delay</u>	<u>Date of laying</u>	<u>Extent of delay</u>
1996-97	23.02.1999	14 months	23.02.1999	14 months
1997-98	25.08.2000	20 months	25.08.2000	20 months
1998-99	22.12.2000	12 months	24.04.2001	16 months
1999-2000	19.03.2002	15 months	14.05.2002	16 months
2000-2001	08.04.2003	15 months	08.04.2003	15 months
2001-2002	21.12.2004	24 months	21.12.2004	24 months
2002-2003	21.12.2004	12 months	21.12.2004	12 months

The Annual Report and Audited Accounts for the year 2003-04 were not laid which were due for laying by 31.12.04 till this report was considered by the Committee.

1.3. The delay aspects involved in laying of the Annual Reports and Audited Accounts of the Sangathan for the years 2001-02 and 2002-03 are mainly dealt with in this Chapter.

1.4 The delay statement laid alongwith Annual Reports and Audited Accounts of Sangathan for the years 2001-2002 and 2002-2003 did not give full information regarding the dates and time taken at various stages in compilation, auditing, translation and printing etc. of the documents.

1.5 Considering the abnormal delay in laying of the documents of the Sangathan, the Committee took oral evidence of the representatives of the Ministry of Human Resource Development (Department of Secondary & Higher Education) and Kendriya Vidyalaya Sangathan at their sitting held on 10 September, 2004.

1.6 Asked to explain why the recommendation of the Committee on Papers Laid on the Table regarding simultaneous laying of the Annual Reports and Audited Accounts of the Sangathan within nine months from the close of the accounting year, has not been followed by the Ministry, the representative of the Ministry stated as under:-

“... I plead ignorance about this issue as to why the Annual Reports and Audited Accounts could not be submitted together. ...we have noted this observation of the Committee and we will see to it in future that they are put up before the House together.”

1.7 Asked to explain why the ‘statement of reasons for delay’ laid alongwith the Annual Reports and Audited Accounts have not disclosed full details such as the date of finalisation of accounts, date of their submission to audit, and finalisation of documents etc., the representative of the Department stated as follows:-

“we are very sorry, Sir. The delay statement did not contain all the information which it should have. We render our apology. At the moment, you will see from the statement that everything is clear and we should have incorporated that in our delay statement also. Everything is in black and white. We should have no difficulty in incorporating it but for some reasons it could not be incorporated. We have failed in doing so but for future we note down that we so draft the delay statement that it contain all the information that you normally desire.”

1.8 A Statement showing the chronology of finalisation of documents of the Sangathan in respect of the years 2000-01 to 2002-03 as furnished by the Ministry during evidence gives the information as follows:-

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>
1. <i>Submission of Annual Accounts by KVS to DGACR for conducting Audit</i>			
<i>English version</i>	4.7.2001	01.07.2002	14.7.2003
<i>Hindi version</i>		10.4.2003	12.5.2002
2. <u>Audit conducted by DGACR</u>	9.7.2001 to 17.9.2001	12.8.2002 to 24.10.2004	4.8.2003 to 15.10.2003
3. <i>Draft Audit Report sent to KVS by DGACR for verification of facts and figures</i>	7.12.2001	26.12.2002	11.2.2004
4. <i>Facts and figures of Draft Audit Report verified and returned to DGACR</i>	-	27.1.2003	24.2.2004
5. <i>Final Audit Report received by KVS from DGACR</i>			
<i>English version</i>	28.3.2002	7.4.2003	7.5.2004
<i>Hindi version</i>		27.6.2003	17.8.2004
6. <i>Final Audit Report approved by Finance Committee</i>	Dec.2002	1.8.2003	1.8.2003
7. <i>Final Audit Report approved by Board of Governors, Hon'ble HRM, Chairman of the Sangathan</i>	--	4.10.2004	4.10.2004
8. <i>Approval of Annual Report by Board of Governors/Finance Committee of KVS</i>	17.12.2002	4.10.2004	4.10.2004
9. <i>Receipt of Annual Report by the Department of Education from KVS</i>	16.12.2002	28.11.2003	2.4.2004
10. <i>Receipt of Annual Accounts by the Department from KVS</i>	--	15.9.2003	5.10.2004
11. <i>Submission of Annual Report and Audited Accounts to the Minister for approval</i>	5.3.2003	9.12.2004	9.12.2004
12. <i>Date of approval by Minister</i>	6.3.2003	15.12.2004	15.12.2004
13. <i>Receipt of approved file from Minister in the Section</i>	10.3.2003	15.12.2004	15.12.2004
14. <i>Submission of authenticated material to Lok Sabha/Rajya Sabha</i>	8.4.2003	16.12.2004	16.12.2004

1.9 A scrutiny of the above indicates that C&AG took eight to nine months for auditing accounts of the Sangathan for the years 2000-01 to 2002-03. About 5 to 9 months was taken for taking approval of the Board of Governors/the Finance Committee for these documents.

1.10 Accounting for delay at the stage of auditing of accounts and release of final Audit Certificate by C&AG, the Department of Secondary and Higher Education in a written reply stated that -

*“Sangathan had submitted the Annual Accounts to DGACR in time during the last five years except for 1999-2000.... however, in view of the large number of Vidyalayas and huge transactions, the DGACR is taking almost three months in conducting the audit and thereafter takes about three months in issuing the draft audit report and another three months for issue of final audit report”*

1.11 Explaining the steps taken to curtail the delay at the stage of auditing of accounts, the Department of Secondary and Higher Education stated in a written reply that “the Sangathan has approached Director General of Audit for taking steps to curtail the delay in issuing the audit report. The DGACR has assured that they will try to minimise the time in issuing of the audit report.”

1.12 As regards delay in getting approval of the documents from the Board of Governors for the years 2001-2002 and 2002-03, a representative of the Department of Secondary & Higher Education during evidence said:-

*“Annual Report and Audited Accounts are to be cleared by the Board of Governors of KVS before they are get laid on the Table of the House. It is here that there is delay; and ....the Chairperson of the KVS who was our Hon’ble Minister of HRD could not give the time for holding the meetings of the Board of Governors, KVS... So the meeting was not held though the annual report was ready.”*

1.13 The representative further added:-



*“In November, 2001, our Joint Commissioner who is the Secretary of KVS wrote to the Minister for giving time and appointment for holding the meeting of KVS. The Minister was kept reminding about it, but unfortunately the meeting could not be held and thus, the annual report and account could not be placed before the Sangathan and before the Parliament.”*

1.14 To a query whether any time schedule has been laid down by the Ministry indicating the target dates for completion of each stage involved in finalisation of documents, the Department of Secondary and Higher Education stated in a written reply as under :-

*“There is overall ceiling of nine months from the close of the financial year for all activities including compilation of accounts, certification and audit, compilation of annual report, translation, printing of material and supply of material to the Department and the action on the part of Department to get approval from the Hon’ble Minister.”*

1.15 To another query whether there is any mechanism in the Ministry to monitor the progress of activities involved in finalisation of documents by KVS, the Department of Secondary Education and Higher Education in a written reply stated that “normally the Ministry keeps monitoring the finalisation of accounts, certifications and compilation and preparation of Annual Report and seek information from time to time.”

1.16 The Committee were informed that the Annual Report of the Kendriya Vidyalaya Sangathan contain data and information located all over the country. Due to prevailing conditions in some parts of the country, the data and information in these regions were received late which resulted in delay in preparation of Annual Report.

1.17 Requesting for increase in the time limit laid down by the Committee for laying the documents on the Table from 9 months to 12 months, the Department of Secondary Education and Higher Education in a written reply pleaded as under:-

*“As minimum period of three months will be required for getting the accounts along with Audit Report and Annual Report duly translated (from English to Hindi) and printed, seeking approval of the Board of Governors and the time taken by the Department for seeking approval of the concerned authority before laying on the Table of both the Houses of Parliament, it is requested that the time limit of nine months may be increased by three months especially keeping in view the size of the Sangathan which has about 933 Vidyalayas spread all over the country including in difficult areas.”*

1.18 Enquired about the remedial measures to expedite the process of finalisation of accounts, the Department of Secondary and Higher Education in a written reply stated that “the accounts of the Sangathan have been computerised from April, 2002 and steps have been taken to interlink the Vidyalayas, regional offices and HQ and as soon as they are connected, it will be easy for electronic transfer of data which will curtail the delay.”

1.19 **The Committee are concerned to note that the Kendriya Vidyalaya Sangathan has been a habitual defaulter in the matter of laying of its Annual Reports and Audited Accounts in time. There were delays of 12 to 24 months in laying the Annual Reports and Audited Accounts of the Kendriya Vidyalaya Sangathan for the years 2001-02 and 2002-03. There were also delays ranging from 12 to 20 months in laying the documents of the Sangathan for the previous years i.e. 1996-97 to 2000-01. One of the main reasons for delay in laying of the documents is stated to be the long time taken by DGACR in conducting of audit and issue of final audit Report. Having been approached by the Sangathan, the DGACR has reportedly assured that they would try to minimize the time taken in the issue of audit certificate. As any delay in completion of audit task causes consequential delay in laying of the documents on the Table of the House, the Committee urge that the Ministry of Human Resource Development (Department Secondary & Higher**

Education) should take up the matter at Secretary's level to impress upon the C&AG the need to complete the audit task in time. The Committee would like to be apprised of the action taken in this regard.

1.20 Another major reason for the inordinate delay in laying of the documents is stated to be the delay in taking approval of Board of Governors of the Sangathan for the Annual Reports and Audited Accounts. The Board of Governors is headed by the Minister of Human Resource Development and the delay is stated to have taken place mainly in convening the meetings of the Board. The Committee had recommended in the context of delay in laying the documents of National Institute of Homeopathy, Kolkata [(16<sup>th</sup> Report, (13<sup>th</sup> LS)] that "the question of Ministers heading Governing Bodies of various organizations under the control of their respective Ministries should be reviewed at the highest level and if the review brings out any need for corrective measures, suitable steps be taken in the light thereof." The Ministry of Health and Family Welfare (Department of AYUSH) has intimated that the Cabinet approved their proposal to maintain status quo regarding Minister remaining the head of the Governing Body of the autonomous bodies. The present Minister of Health & Family Welfare is taking steps to conduct the meetings of the Governing Bodies periodically by deputing the Minister of State or the Secretary (AYUSH) to chair these meetings as per schedule.

1.21 The Committee, therefore, recommend in order that to avoid delay in taking approval of the Board of Governors of the Sangathan, the Ministry of Human Resource Development may also consider to conduct the meetings of the Board periodically, and if necessary, by deputing the Minister of State or the Secretary to chair the meeting as may be required.

1.22 It appears that no time schedule has been laid down by the Ministry indicating the target dates for completion of each stage involved in finalisation of the documents, viz. finalisation/compilation of annual accounts and report, auditing of accounts, approval of documents for the competent authority, translation &

printing, processing in the Ministry for being laid on the Table. The Committee recommend that Ministry should take immediate necessary action to put in place a

time schedule and monitoring mechanism to ensure timely finalisation of the documents and laying of the same on the Table of the House.

1.23 The Department of Secondary & Higher Education have made a plea for increase in the time limit laid down by the Committee for laying of the documents on the Table of the House. The time limit sought for is 12 months instead of 9 months. The Committee would like to point out that the time limit of 9 months has been laid down after due consideration of all aspects involved in the matter. In the age of computerization, the case could be for reduction in the time limit rather than for increase. The Committee in this connection note that the Kendriya Vidyalaya Sangathan has computerized its accounts from April, 2002. Steps have also reportedly been taken to interlink the Vidyalayas, regional offices and Head Quarters. The Committee urge that this task should be completed expeditiously. The Committee hope that completion of the task would enable electronic transfer of data and curtail delay in compilation of accounts of the Sangathan.

1.24 One of the oft-repeated recommendations of the Committee on Papers Laid on the Table has been that the Annual Report and Audited Accounts of autonomous organizations should be laid together to enable the House to have a complete picture of the working of that body. The Committee regret to find that in the case of the

**Kendriya Vidyalaya Sangathan, the recommendation of the Committee has not been complied with in respect of the documents pertaining to the year 1998-99 to 1999-2000. The Committee stress that it should always be ensured that the Annual Report and Audited Accounts of the organisaiton are laid together.**

## CHAPTER-II

### DELAY IN LAYING ANNUAL REPORTS AND AUDITED ACCOUNTS OF SPORTS AUTHORITY OF INDIA

...

The Sports Authority of India (SAI), a society registered under the Societies Registration Act, 1860 was established in 1984 to promote sports and related activities in the country. The Authority receives grants-in-aid from the Government of India for its activities. During the year 2002-2003, the Authority received grants-in-aid of Rs. 128.88 crore from the Ministry of Youth Affairs & Sports. The audit of accounts of the Authority has been entrusted to the Comptroller & Auditor General of India for a period of five years from 2002-03 to 2006-07. The dates of laying of Annual Reports and Audited Accounts of the Authority since 1996-97 and the extent of delay for each year is as follows :-

<u>Year</u>	<u>Date of laying</u>	<u>Extent of delay</u>
1996-97	07.12.1998	11 months
1997-98	18.12.2000	24 months
1998-99	07.05.2003	40 months
1999-2000	20.12.2004	48 months
2000-2001	20.12.2004	36 months
2001-2002	26.04.2005	28 months
2002-2003	26.04.2005	16 months

2.2 The Annual Report and Audited Accounts of the Authority for the year 2003-2004 were not laid till the report was considered by the Committee.

2.3 The Committee on Papers Laid on the Table have time and again emphasized that the delay statement laid alongwith the Annual Report and Audited Accounts should

invariably indicate in chronological order the date of finalisation of accounts, dates of their submission to audit, issue of inspection report by audit, replies given on points raised by audit and finally the receipt of audit report from the audit authorities and the reasons for delay, if any, at each stage. However, the delay statement laid alongwith the documents did not contain the requisite details for any of the years from 1998-99 to 2002-2003.

2.4 The Ministry of Youth Affairs & Sports have stated in their written reply (O.M. dt. 7.2.05) that the requisite information has not been given in the delay statement due to oversight and expressed regret for this mistake. The Ministry of Youth Affairs and Sports have furnished the same as under :-

<u>Event</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>
<i>Date of finalisation of accounts by SAI</i>	23.12.1999	31.03.2001	27.11.2001	27.09.2002	08.01.2004
<i>Date of submission of accounts to DGACR</i>	27.12.1999	31.03.2001	26.12.2001	27.09.2002	22.01.2004
<i>Date of commencement of audit</i>	15.02.2000	17.4.2001	31.12.2001	14.11.2002	23.02.2004
<i>Date of completion of audit</i>	08.05.2000	13.06.2001	08.02.2002	22.01.2003	26.04.2004
<i>Date of issue of draft audit report</i>	30.11.2000	20.09.2001	20.03.2002	28.02.2003	28.07.2004
<i>Date of replies given on points raised by audit</i>	30.01.2001	NIL	NIL	NIL	03.11.2004
<i>Date of receipt of final audit report from DGACR</i>	21.02.2002	26.02.2002	22.07.2002	24.12.2004	03.02.2005
<i>Preparation &amp; translation of Report Hindi</i>	06.08.2002	December, 2003	03.06.2004	14.01.2005	25.02.2005
<i>Date of receipt of printed copies</i>	10.03.2003	July, 2004	05.11.2004	03.02.2005	02.03.2005
<i>Date of laying</i>	07.05.2003	20.12.2004	20.12.2004	26.4.2005	26.04.2005

2.5 It may be seen from the above that the Authority has taken 6 to 12 months for compilation of their accounts and handing them over to auditors for auditing. The time taken by auditor for completing their task and furnishing the Audit Report thereon ranges from 7 months to 27 months every year. It may also be observed that after receipt of final audit report from DGACR, the Authority has taken 1 month to 28 months for translation/printing and sending the documents to the Ministry for laying before Parliament.

2.6 Considering the abnormal delays in laying of the Annual Reports and Audited Accounts of the Authority, the Committee took oral evidence of the representatives of the Ministry of Youth Affairs & Sports and SAI at their sitting held on 7.2.2005.

2.7 Explaining the reasons for delay in compilation of accounts, the Secretary, Ministry of Youth Affairs & Sports stated during evidence as under:-

*“Sports Authority of India has more than 90 centres where money is spent. There are 90 centres, which can be called accounting centres. From there, the accounts go to regional level; there are six regional centres; and from there, they go to the headquarters. There has been quite a bit delay at that level.*

The Secretary further explained:-

*There is shortage of staff. When SIU, the Staff Inspection Unit, came into existence in 1996-97, the sanctioned strength was 26 and actually the number of people who are working was 14. After assessment, the sanctioned strength has been brought down to 24, there are 19 who are working on the financial side or the accounting side. Over the years, the Budget has increased manifold; the centres have gone up; even the accounting centres which were only 42 at that time have gone up to 90, but still the staff remain the same.”*

2.8 To curtail the delay in compilation of accounts, the Secretary, Youth Affairs & Sports stated during evidence as under :-

*“A few steps have been taken like computerisation of accounts. Till the level of regional centres, they have computerised and even all accounting centres have*



*been computerised....the second thing is that we have decided that we are going to collect the accounts for each quarter during the year itself so that the work which piles up at the end of the year will not pile up. The first three quarters' accounts will be finalised during the last quarter and so, only the last quarter would remain to be finalised."*

2.9 As regards delay in auditing the Secretary, Youth Affairs and Sports during evidence said –

*"even after the audit has completed and the reply has gone, they have taken at least a year to write the report and send it to us."*

2.10 Asked to state whether the Ministry of Youth Affairs and Sports have ever taken up the question of expeditious completion of audit with C&AG, the Ministry in their written reply (dt. 7.2.05) stated as under:-

*"The details of Ministry's correspondence with C&AG for the year 1999-2000 are not readily available. However, in recent times special efforts are being made to pursue the matter with DGACR for issuing audit report. Secretary (YA&S) also wrote on 6 October, 04 for expediting audit report for the years 2001-02 and 2002-03. DG, SAI was also directed to pursue the matter, as a result of which Audit Certificates were received on 24.12.2004 and 03.02.2005 respectively.*

2.11 To overcome delay in translation of the documents, the Secretary, Youth Affairs and Sports stated during evidence -

*"We have also decided to outsource translation work because staff sometimes is not available for translation which could delay the matter."*

2.12 As regards delay in printing of the documents, the Secretary, Ministry of Youth Affairs and Sports stated as under :-

*"Printing is another area which has been responsible for delay....The Government press was over-worked and they were not able to give back to us; they took lot of time"*

2.13 To avert delay at the stage of printing of the documents at Government Press , the Ministry have stated (O.M.dt. 7.2.05) that alternative arrangements to get the report printed from National Consumer Cooperative Federation, a Government approved agency have been made.

Secretary, Youth Affairs and Sports, during evidence before the Committee also stated as under : -

*“Another area which used to take time was the written part of the Annual Report. Now, we have set up a system by which we are now getting the written part of the Annual Report ready. As and when we received the audited accounts from the AG, we incorporate it and we go ahead for approval and printing.”*

2.14 Enquired about the position regarding finalisation and laying of Annual Report and Audited Accounts for the year 2003-04, the Ministry in their written reply (dt. 7.2.05) stated as under :-

*“Accounts were finalised by SAI on 27.04.04. The Finance Committee of SAI approved the accounts on 17.09.2004. Thereafter approval of the competent authority was obtained on 30.11.04. These documents were submitted to DGACR on 3.12.2004. The audit has commenced on 21.12.2004 and is in progress.”*

**2.15 The Committee are unhappy to note that the Annual Reports and Audited Accounts of Sports Authority of India, the apex sports body of the country, have not been laid in time even once during the last seven years. The extent of delay in laying the documents of the Authority ranges from 11 months to 48 months in respect of every year during the period from 1996-97 to 2002-03. The Annual Report and Audited Accounts for the year 2003-04, which should have been laid on the Table by 31.12.2004, were not laid till this report was considered by the Committee.**

**2.16 The Committee have emphasised in the past that if for any reason the Annual Report and Audited Accounts cannot be laid within the stipulated period, the Ministry concerned should lay within 30 days of the expiry of the prescribed period or as soon as the House meets, whichever is a later, a statement explaining the reasons why the report and accounts could not be laid. The Committee regret to note that no such statement has been laid for any of the years from 1996-97 to 2002-03 in respect of SAI. The Committee hope that the Ministry of Youth Affairs & Sports have taken note of the said recommendation for compliance in future.**

**2.17 The Committee also find that the time taken by SAI before handing over the accounts (1998-99 to 2002-03) to audit ranges from 6 to 12 months as against the prescribed period of 3 months. The Ministry's explanation that the accounts have to be collected from over 90 Accounting Centres spread across the country is hardly convincing. The Committee feel that the contention of the Ministry is untenable in the era of computerisation with the facility for electronic transfer of data. It has been stated that computerisation has been undertaken in all the Accounting Centres and it has been decided to collect accounts from various Centres on quarterly basis. The Committee hope that with this measure, it would be possible to compile the accounts of SAI in time in future.**

**2.18 The Committee further note that the audit has taken over two years for completing its task in respect of accounts for the year 1998-99 and 2001-02 and one year in respect of accounts for the year 1999-2000 and 2002-03. The time taken by SAI in replying to the points raised by audit has not been furnished to the Committee in respect of the years 1999-2000, 2000-2001 and 2001-02. It appears**

that SAI has taken unduly long time in this regard. The Committee urge SAI to accord top priority to replying to the points raised by audit and ensure timely completion of audit task in order to avoid consequential delay in laying of the documents of SAI before Parliament.

2.19 Yet another factor which caused delay in laying the documents of the Authority is the undue time taken in getting translation & printing of the documents. After receipt of final audit reports, the Authority have taken 12 months for the year 1998-99 and 29 months for the year 1999-2000 in translation & printing of the documents. However, the delay at the stage of translation & printing has diminished in finalisation of the documents for the subsequent years reportedly due to advance action taken for translation of the documents before receipt of final report from DGACR. It is needless to say that these factors are well within the control of the Authority and delay, if any, on this account reflect poorly on the management of the Authority. The Committee note from the information furnished by the Ministry that in order to avoid delay in printing of the documents an alternate arrangement to get the documents printed from a government approved agency has been made. The Committee hope that the Authority/Ministry would ensure that no delay takes place at the stage of translation & printing in future.

2.20 The Committee further recommend the Ministry of Youth Affairs & Sports must draw up a time schedule indicating target dates for completion of various stages involved in the finalisation of documents viz. finalisation/compilation of annual accounts and report, auditing of accounts, approval of documents from the competent authority, translation & printing, processing in the Ministry for being

**laid on the Table. A Senior Officer both in the Ministry and the Authority should be entrusted with the task to ensure that the time schedule so laid down is strictly adhered to right from compilation of accounts to laying of the documents before Parliament. The Committee would like to be apprised of the action taken in this regard.**

## CHAPTER-III

### DELAY IN LAYING THE ANNUAL REPORTS AND AUDITED ACCOUNTS OF CENTRAL COUNCIL FOR RESEARCH IN YOGA & NATUROPATHY, NEW DELHI

....

The Central Council for Research in Yoga & Naturopathy, New Delhi is an autonomous body registered under the Societies Registration Act, 1860 to conduct scientific research in the field of Yoga & Naturopathy. The Council is fully financed by the Government of India. During the year 2003-2004, the Council received grants-in-aid of Rs. 1.33 crore from the Ministry of Health and Family Welfare (Department of AYUSH).

3.2 There has been persistent delay in laying the Annual Report and Audited Accounts of the Council since 1998-99 as shown below:-

<u>Year</u>	<u>Date of laying</u>	<u>Extent of delay</u>
1998-1999	16.05.2000	04 months
1999-2000	08.08.2001	07 months
2000-2001	24.04.2002	04 months
2001-2002	06.08.2003	07 months
2002-2003	27.04.2005	16 months
2003-2004	11.05.2005	04 months

2.3 The chronology of finalisation of the documents of the Council for the last four years (2000-01 to 2003-04) as indicated in the delay statements laid alongwith the documents on the Table is as under:-

<u>Sl.No</u>	<u>2000-2001</u>	<u>2001-02</u>	<u>2002-2003</u>	<u>2003-2004</u>	
	<b><u>Annual Accounts</u></b>				
1.	<i>Date of submission of accounts to the audit party</i>	19.06.2001	01.07.2002	25.8.2003	28.6.2004
2.	<i>Date of commencement of</i>	10.7.2001	08.08.2002	28.10.2003	2.8.2004

<i>audit</i>					
3.	<i>Date of completion of audit</i>	27.7.2001	22.08.2002	10.11.2003	13.8.2004
4.	<i>Date of receipt of audit report with certified accounts from the Principal Director of Audit in the Council</i>	5.2.2002	23.12.2002	2.12.2004	9.2.2005
5.	<i>Date of completion of translation of Annual Report and Audited Accounts</i>	25.2.2002	08.01.2003	20.12.2004	28.2.2005
6.	<i>Date of completion of printing of Annual Report and Audited Accounts</i>	-	-	24.3.2004	4.4.2005
7.	<i>Date of approval of the President of the Council to the Annual Report</i>	21.3.2002	10.07.2003	23.9.2004	23.9.2004

### **Annual Report**

<i>Date of compilation of draft Annual Report</i>	15.2.2002	14.11.2002	20.11.2003	20.9.2004
Date of laying	24.4.2002	06.08.2003	27.04.2005	11.05.2005

3.4 The Committee observe from the above that the accounts for the years 2000-01 to 2003-04, except for the year 2002-03, have been compiled and submitted to the auditors for auditing within the stipulated time. However, after receipt of accounts for these years the auditors have taken 7 months, 6 months, 15 months and 7 months respectively in completion of audit and furnishing their final audit report to the Council.

3.5 Considering the recurring delays in laying the Annual Reports and Audited Accounts of Council for the last 6 years, the matter was referred to the Ministry of Health & Family Welfare (Department of AYUSH) to seek clarifications/reasons for the same. The Ministry furnished their clarifications in their reply dated 11.7.2005.

3.6 Regretting the delay in laying the documents of the Council, the Ministry in their written reply (dt. 11.7.05) have stated as under :-

*“The Department of AYUSH is drawing the attention of all the autonomous bodies including CCRYN to the recommendations of the Committee and to submit the reasons for the delay in advance to the Department so as to lay the delay statement in the Lok Sabha. This subject is being discussed in the monthly senior officers meetings and also in the meetings with the heads of the autonomous bodies. The failure for not laying the delay statement as required in the Lok Sabha is inadvertant and unintentional. The Department will do everything to avoid such omissions and delays in laying of reports in future. The Committee is required to condone the lapse.”*

3.7 On the efforts made by the Ministry/Council to expedite completion of audit and release of audit certificate by the C&AG the Ministry have clarified as under:-

*“The Council took up the question of expeditious completion of audit for the year 2002-2003 with the office of DGACR repeatedly. Secretary (AYUSH) has also taken up the matter with the office of DGACR for timely completion of audit accounts of all autonomous bodies including CCRYN. In order to avoid delay in completing the audit, specific provisions have now been inserted in the bye-laws of the Council authorizing the Director to approve the unaudited accounts and submit the same to the office DGACR for audit”.*

3.8 Elaborating the reasons for delay, the Ministry further stated :-

*“The main reasons for the delay in laying the above reports in Lok Sabha were due to delay in issuing audit certificates (for 1999-2000 and 2000-2001) by the office of DGACR, delay in compilation of Annual Reports (for 1999-2000 and 2000-2001) and non-availability of approval of the Governing Body, the competent authority to the Annual Report (for 2001-2002). Out of which, the delay in issuing the audit certificates by the office of DGACR is beyond the control of the management of the Council/Ministry”.*

3.9 Accounting for reasons for delay in auditing of accounts by auditors, the Ministry have clarified as under :-

*“The Director of the Council used to approve the un-audited accounts of the Council and submit the same to the office of DGACR for conduct of audit. However, in the case of accounts for the year 2002-03, even though the audit was conducted during October & November, 2003, the office of DGACR insisted on obtaining the approval of the Governing Body to the un-audited accounts before issuing the requisite audit certificate. But the meeting of governing Body of the Council could be convened only on 23.9.2004 wherein the accounts of the Council were placed and approved”.*



3.10 On the remedial measures taken or proposed to be taken both in the Ministry and the Council to ensure timely laying of the documents within prescribed period of nine months from the close of the accounting year in future, the Ministry have stated as under:-

*“The Department of AYUSH has framed a time schedule and is monitoring progress made in the preparation and finalization of the Annual report and Audited Accounts of the autonomous bodies. The subject is being reviewed by the Monthly Senior Officers meeting at the level of Secretary and also in meeting taken with the Heads of the autonomous bodies. Secretary has issued a letter of advisory nature to the Council.*

3.11 The details of time schedule formulated by the Ministry giving target dates for completion of each stage of finalisation of accounts and report is stated to be as under:-

<i>Compilation of unaudited Accounts</i>	<i>31<sup>st</sup> May</i>
<i>Submission of unaudited Accounts to Audit Party</i>	<i>15<sup>th</sup> June</i>
<i>Compilation of draft Annual Report</i>	<i>31<sup>st</sup> July</i>
<i>Finalisation of Annual Report</i>	<i>31<sup>st</sup> August</i>
<i>Translation of Annual Report</i>	<i>30<sup>th</sup> September</i>
<i>Finalization of Audited Accounts</i>	<i>31<sup>st</sup> October</i>
<i>Printing of Annual Report &amp; Audited Accounts</i>	<i>15<sup>th</sup> November</i>
<i>Submission of copies of Annual Report and Audited Accounts to the Department</i>	<i>20<sup>th</sup> November</i>

3.12 In this context the Committee note that they had earlier examined the delay in laying the documents of the Council and recommended in their 17<sup>th</sup> Report (8<sup>th</sup> LS) as under :-

*“.... 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”*

In their action taken replies to the recommendations contained in the above said Report the Ministry of Health & Family Welfare 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 31<sup>st</sup> December every year.”*

3.13 Thereafter, the Committee again examined the matter of delay in laying Annual Report and Audited Accounts of the Council and reported the matter in their 20<sup>th</sup> Report- 10<sup>th</sup> Lok Sabha as under :-

*“.... 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 (8<sup>th</sup> 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.*

*The Committee cannot but reiterate their earlier recommendations made in their Seventeenth Report (8<sup>th</sup> 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.”*

In their Action Taken notes [20<sup>th</sup> Report (10 Lok Sabha), the Ministry of Health and Family Welfare (Department of AYUSH) stated as under: -

*“This Ministry has taken note of the observations and recommendations of the Committee. The Council has started taking prompt action on the advice of the Ministry with the result that the documents for the years 1993-94 and 1994-95 have been laid on the Table of the Lok Sabha within the stipulated period of 9 months from the close of the accounting year. The Ministry will make sincere*

*efforts for laying the documents within the stipulated period on the Table of the Lok Sabha future also”.*

3.14. The Committee considered the matter at their sitting held on 17 August, 2005.

3.15. The Committee regret to note that the Annual Reports and Audited Accounts of Central Council for Research in Yoga & Naturopathy (CCRYN), New Delhi have not been laid in time even once since 1998-99. The delay in laying the documents of the Council for the years 1998-99 to 2003-04 ranged from 4 months to 16 months.

3.16. From the information furnished by the Ministry of Health & Family Welfare (Department of AYUSH), the Committee find that the delay in finalisation of the documents for the years 2000-01 to 2003-04 is mainly on account of delay in compilation of accounts, getting approval of the documents from the Governing Body of the Council and undue time taken by the DGACR in auditing of accounts and issue of audit certificate to the Council. As regards delay in auditing of accounts by DGACR, the Committee note that prior to 2002-03, the Director of the Council used to approve the unaudited accounts and submit it to the DGACR for audit. However, the insistence of DGACR since 2002-2003 for approval of the Governing Body to the unaudited accounts before issuing the requisite certificate by them has resulted in delay. The Committee note that to avoid such delay, the Ministry have reportedly inserted specific provisions in the bye-laws of the Council authorising the Director of the Council to approve the unaudited accounts and submit the same to the office of DGACR for audit. The Committee hope that with

the change effected in bye-laws, the delay being caused in auditing of accounts and issuing of audit certificate by DGACR would be avoided.

3.17. Another reason cited for delay in finalisation of the document is the undue time taken by the Council in getting approval of the documents from its Governing Body. The Committee feel that the reasons of this nature are within the control of the management of the Council and thus avoidable. The Committee urge that approval of documents from the Governing Body should be obtained as soon as the documents are finalised to avoid any consequential delay. The Committee may also be apprised of the steps taken by the Ministry/Council to avert such delays in future.

3.18 The Committee note that they had earlier examined the delay in laying the Annual Report and Audited Accounts of the Council during the years 1987-88 and 1995-96 and recommended in their 17<sup>th</sup> Report (8<sup>th</sup> LS) and 20<sup>th</sup> Report (10<sup>th</sup> LS) the need to draw up a time bound schedule to ensure finalisation and laying of the documents on the Table of the House within the prescribed period. The Committee are unhappy to note that although the Ministry in their action taken reply had agreed to lay down a time schedule to overcome delays, the persisting delays observed in laying the documents during the years 1998-99 to 2003-04 clearly indicate that either the Ministry had not laid down any time schedule or not cared to monitor the time schedule, if any, periodically to prevent time overruns. The Committee deplore such a casual and complacent attitude of the Ministry towards their recommendations on the need for timely laying of the requisite documents. The Committee, therefore, urge the Ministry that the time schedule now laid down

**by them should be followed by the Council and monitored by the Ministry in letter and spirit to prevent recurrence of delays in future.**

## CHAPTER-IV

### DELAY IN LAYING ANNUAL REPORTS AND AUDITED ACCOUNTS OF HOUSING & URBAN DEVELOPMENT CORPORATION LTD. (HUDCO)

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The Housing & Urban Development Corporation Ltd. (HUDCO), a fully owned Government Company, was set up in April 1970 as a techno-financial institution in the housing and urban development sector to help the economically weaker sections of the society. The audit of accounts of the Corporation has been entrusted to C&AG. The paid up capital of the Corporation stood at 1898.60 crore as on 31.3.2004 as against the authorised capital base of 2500 crore.

4.2 The dates of laying of Annual Reports and Audited Accounts of HUDCO during the last four years and the delay involved for each year is as follows :-

<u>Year</u>	<u>Date of laying</u>	<u>Extent of delay</u>
2000-2001	22.3.2002	03 months
2001-2002	6.5.2003	05 months
2002-2003	21.12.2004	12 months
2003-2004	03.05.2005	04 months

4.3 The chronology of the dates of finalisation of the Annual Reports and Audited Accounts of the Corporation for the years 2000-2001 to 2003-04 is stated to be as under :-

<u>Sl. No</u>		<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-04</u>
1.	The date of appointment of auditors	1.11.2000	8.12.2001	5.10.2002	20.08.04
2.	The Accounts approved by the Audit Committee	05.09.2001	04.12.2002	09.09.2003	23.08.04
3.	The dates of approval of Account by the Board of Director	07.09.2001	04.12.2002	11.09.2003	23.08.04
4.	The date of signing of Accounts by Statutory Auditors	10.09.2002	12.12.2002	11.09.2003	23.08.04
5.	The date of issue of comments by C&AG	28.09.01	30.12.2002	27.11.2003	30.09.04
6.	The date of holding the AGM	28.09.2001	30.12.2002	22.12.2003	03.12.04

7.	<i>The date when document were sent to the Ministry for being laid in the Parliament</i>	<i>19.11.2001(Eng)</i>	<i>19.2.2003(Eng)</i>	<i>20.02.2004</i>	-
		<i>22.11.2001(Hindi)</i>	<i>21.2.2003(Hindi)</i>		

4.4 The year-wise reasons for delay in laying the Annual Reports and Audited Accounts of HUDCO for the years 2000-01 to 2003-04 as furnished in the delay statements laid alongwith the documents are as under :-

2000-2001 *The Annual Report and Audited Accounts of the Corporation for the year 2000-01 were sent by the Corporation to the Ministry on 19.11.01 (English Version) and on 22.11.01 (Hindi Version). However, there has been delay in completing the formalities involved in laying of the documents before Parliament by the Ministry concerned.*

2001-02 and 2002-03 *AGMs for the years 2001-02 and 2002-03 were held in the extended time of 3 months granted by the Department of Company Affairs stated to be on account of representation by the Corporation for relaxation from making provisions on defaulted Government guarantee as per direction of NHB.*

*It has also been stated (O.M. dt. 5.4.05) by the Ministry that the documents for the year 2002-03 could not be laid in the Budget Session (2004) as certain discrepancies were noticed by the Ministry in the Annual Report. The Ministry have further stated that the draft review alongwith statement indicating reasons for delay were approved in November, 2004 and accordingly the documents could be laid in Winter Session of Parliament in 2004.*

2003-04 *Although the comments of C&AG were received and Annual Report was finalised by 30.9.2004 but the AGM of the Corporation to consider and adopt the documents could be held on 3.12.2004.*

4.5 The matter was considered by the Committee at their sitting held on 23 June, 2005. Considering the recurring delays in laying the Annual Reports and Audited Accounts of HUDCO, the Committee decided to take evidence of the representatives of the Ministry of Urban Employment and Poverty Alleviation and HUDCO. Accordingly, the representatives of the Ministry and HUDCO tendered evidence before the Committee on 15 September, 2005 in this regard.

4.6 To a query as to why the Ministry have not laid on the Table a Statement explaining the reasons for not laying the report within 30 days from the expiry of the period of nine months or within seven days of re-assembly of the House if the House is not in Session as per recommendation of the Committee on Papers Laid on the Table, the Ministry in a written reply (dt. 13.9.05) stated as under :-

*“Generally, statement indicating the reasons for delay is appended along with the documents to be laid before the Parliament so as to explain the reasons. This practice was being followed so far. However, the above recommendation of the Committee will be strictly followed in future.”*

Regretting the lapse on this account, the Secretary, Ministry of Urban Employment and Poverty Alleviation also stated during evidence (on 15.9.05) before the Committee as under :-

*“I have to express regret on behalf of the Ministry is that we should have laid these statements within seven days of the Houses of Parliament being assembled. Those were the instructions. That was not done. I can only, at this point of time, express regret and I can only share with the hon. Members of this august Committee that we will try and ensure that this does not happen again. We do realise that we have defaulted and it should not have happened.”*

4.7 It has been stated (O.M. dt. 5.4.05) that after receipt of the documents for the year 2002-03 in the Ministry on 20.02.04 some discrepancies were found in the figures of cumulative achievements of HUDCO in respect of dwelling units sanctioned upto 2002-03 and it took 10 months for the Ministry to get the discrepancies rectified and to place the documents on the Table of the House. Explaining the nature and number of discrepancies noticed the Ministry in a written reply (dt. 13.9.05) stated as under :-

*“The discrepancies noticed related to cumulative figures in respect of two million housing programme. The figures shown in other documents of HUDCO were different from the Annual Report. A meeting was, therefore, held with senior officers of HUDCO in this regard. HUDCO was also required to re-check these*



*figures from their records and also in consultation with their Regional Offices across the country.”*

During evidence before the Committee, the Secretary also clarified as under :-

*“.....there is major delay of 12 months in the year 2002-03. I would like to admit that – yes, there has been delay. I can only say that the delay is attributable to the Ministry. We took time to process it and also some delay was due to HUDCO because the main reason was there were some discrepancies in the information that HUDCO gave to us about a particular housing scheme of two million housing programme. It took some time because they needed some time to cross check the information. That is how it took them some time. I am not trying to defend the delay because 10 to 12 months delay is an inordinate delay.”*

Asked to state the steps proposed to be taken to avoid such delays in future, the Ministry in a written reply have stated as under :-

*“HUDCO has been asked to ensure that information in its Annual Report is cross verified thoroughly with facts/information in previous years. The concerned officers providing such information have been instructed to re-check the figures before providing it to the Ministry.”*

4.8 Explaining the reasons for delay in laying the documents for the year 2003-04, the Secretary, stated during evidence as under :-

*“The report for this year was delayed by four months. There was a dividend issue which we wanted to take up with the Ministry of Finance which took time. A lot of correspondence was done with the then Secretary, Expenditure and Secretary, Finance to decide whether the dividend has to be given at 20 per cent or 30 per cent. We got a reply from the Ministry of Finance at the end of November. After that we got reply and clarification. The Annual General Meeting of HUDCO was held. Normally the AGM is held at the end of September, within six months of the close of the accounting year. Then we would have had to take the clarifications from the Finance. Then that would have taken much more time. They would have to reopen the entire accounts. This is the position for 2003-04.”*

4.9 The Committee observe that the AGM which should have been held within six months of the close of the accounting year has actually been held within the extended period of 3 months for the last three years (2001-02 to 2003-04). Elaborating the reasons

for delay at the stage of taking approval of the documents from the AGM, the Ministry in a written reply stated as under :-

*“The 34<sup>th</sup> AGM of HUDCO was convened on 06.09.04. The said AGM was scheduled to be held on 30 September, 2004. In the said AGM, the quorum as required under article 59 of the Articles of Association read with section 174 of the Companies Act, 1956 was not present and hence the AGM was adjourned.*

*The efforts were made for holding the adjourned AGM on 14 October, 2004 with the consent of all the shareholders. However, the consent of all the shareholders as required u/s 173 of the Companies Act, 1956 were not received. Accordingly, it was decided to cancel the meeting, which was scheduled to be held on 14.10.04. In the meantime, the Government had also made certain changes in the shareholders of HUDCO.*

*The 34<sup>th</sup> adjourned AGM was again held on 25 October, 2004. However, due to the fact that Ministry has sought some clarification from the Ministry of Finance regarding the declaration of dividend by HUDCO, the said AGM was adjourned and held again on 3 December, 2004 after the receipt of the clarifications from the Ministry of Finance and also after giving the required notice in term of section 166 of the Companies Act, 1956.”*

To a query about the present time limit, if any, under the rules for holding the AGM after close of the accounting year, the Ministry in a written reply stated as under :-

*“As per Section 20 of the Companies Act, 1956 the Board of Directors of the Company shall lay before the Company a Balance-Sheet and Profit & Loss Accounts within the six months of closure of the financial year.*

*As per the section 166 of the Companies Act, 1956 every company shall hold Annual General Meeting in every calendar year and the gap between two Annual General Meeting shall not exceed 15 months.*

*However, Section 166(1) explain that the Registrar (Ministry of Company Affairs in case of Govt. Company) may for any special reason extend the time of Annual General Meeting by period upto three months.”*

To prevent recurrence of delay in holding the AGM to approve the Annual Report and Audited, the Ministry proposed the following steps:-

*“HUDCO will ensure that the Annual Reports of the Company are sent to the Ministry in terms of the provision 619(1)(a) which requires the Company to prepare its Annual Report on the working and affairs of the Company within three months of its Annual General Meeting and fulfilling time schedule as given in the Companies Act i.e. AGM will be held within six months of close of the financial year i.e. by 30<sup>th</sup> September and it is expected that the Annual Report will be submitted to the Ministry by 30<sup>th</sup> November after printing & Hindi translation.”*

The Secretary, Ministry of Poverty Alleviation & Employment during evidence assured the Committee of positive action in this regard as follows:-

*“ I would discuss it out and see how we can advance the AGM. I will go through the process, find out and come back to the Committee.”*

4.10 As regards time schedule for completing the various stages of finalisation of the documents, the Ministry in a written reply stated as under :

*“The time schedule for each stage has been drawn for finalisation and printing of the Annual Report. HUDCO will ensure taking of approval of Audit Committee/Board of Directors of annual accounts and also obtaining Audit Report by end of August so as to enable HUDCO to hold the AGM by September after close of the financial year. After that action for printing of annual accounts and Hindi version will be completed by end of November. Joint Secretary (Housing) in the Ministry and Director (Finance) of HUDCO have been assigned the job of monitoring the process of finalisation and printing of the Annual Report in time.”*

4.11 In so far the latest position of the Annual Report and Audited Accounts for the year 2004-05 are concerned, the Ministry in a written reply stated as under:-

*“The 35<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on 29<sup>th</sup> September, 2005 as per the provisions of the Companies Act, 1956 and the Government audit is in process. The said meeting will be held on its schedule subject to receipt of the CAG report before 29<sup>th</sup> September, 2005. After the AGM it is expected that the Annual Report shall be sent to the Ministry within two months i.e. by 30<sup>th</sup> November, 2005”.*

**4.12 There has been delay ranging from 3 months to 12 months in laying the Annual Reports and Audited Accounts of Housing & Urban Development**

Corporation (HUDCO) for the years 2000-01 to 2003-04. The Committee regret to note that no 'delay statement' in respect of any of the above said years was laid within 30 days of the expiry of prescribed period as recommended by the Committee in para 3.5 of their First Report (5<sup>th</sup> LS). The Committee reiterate that in case of any delay beyond the prescribed period of 9 months after close of the accounting year, a delay statement should be laid within 30 days of expiry of the stipulated date explaining the reasons for delay in laying the documents.

4.13 The Committee's examination of the reasons for 12 months delay in laying the documents for the year 2002-03 reveals that after receipt of the documents in the Ministry on 20.02.04, some discrepancies were found in the figures of cumulative achievements of HUDCO in respect of dwelling units sanctioned up to 2002-03 and it took 10 months for the Ministry to get the discrepancies rectified and place the documents on the Table of the House. The Committee feel that the Ministry have not taken due care to resolve the discrepancies expeditiously. The Committee deprecate casual and complacent attitude of the Ministry in this regard and urge them to be more vigilant in matters relating to laying of documents before Parliament in future.

4.14 The Committee note that another reason for delay in laying the document for the years 2001-02 to 2003-04 is stated to be delay in holding the Annual General Meetings to approve the Annual Reports and Audited Accounts. In terms of Section 166 of the Companies Act, 1956, the AGM of HUDCO which should have been held within 6 months of the close of the relevant accounting year, has actually been held in the extended period. The Committee understand that any extension beyond the

period of six months after close of the accounting year in holding the AGM should be availed only in exceptional circumstances for justified reasons and not in a routine manner. The Committee, therefore, urge the Ministry of Urban Employment and Poverty Alleviation as well as HUDCO to be cautious so as to avoid recurrence of delay in holding AGMs in future and also not to put forward such reasons as an excuse for delay in laying the documents in Parliament within the prescribed period.

4.15 As regards the time schedule indicating target dates for completion of each stage of the finalisation of the documents, the Committee has been informed that the Ministry have drawn up the schedule and the Joint Secretary (Housing) in the Ministry and Director (Finance) in HUDCO have been assigned the job of monitoring the process of finalisation of the documents. The Committee stress that the time schedule so prepared must be adhered to and monitored at each and every stage so that the Annual Reports and Audited Accounts of HUDCO are laid before Parliament in time in future. The Committee would like to be apprised of the time schedule prepared in this regard.

NEW DELHI  
December, 2005  
Agrahayana, 1927 (Saka)

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