

**COMMITTEE
ON
PAPERS LAID ON THE TABLE
(1992-93)**

(TENTH LOK SABHA)

TWELFTH REPORT

(Presented on 9-12-1993)



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 1993/Agrahayana, 1915 (Saka)

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PERSONNEL OF THE COMMITTEE ON PAPERS LAID ON THE
TABLE OF LOK SABHA (1992-93)

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SECRETARIAT

- (1) Shri G.L. Batra—*Additional Secretary*
- (2) Shri S.C. Gupta —*Joint Secretary*
- (3) Shri R.K. Chatterjee —*Deputy Secretary*
- (4) Shri Ram Kumar —*Under Secretary*

INTRODUCTION

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

2. As a result of examination of Annual Reports and Audited Accounts of various State Agro Industries Corporations laid during 1988 to 1992 and some papers laid during the Second, Fourth and Fifth Sessions (Tenth Lok Sabha), the Committee have come across certain cases of delay in laying of the Annual Reports and Audited Accounts of (i) The State Agro Industries Corporations Limited for the years 1985-86 to 1990-91; (ii) The Centre for Railway Information Systems (CRIS) for the years 1986-87 to 1989-90; (iii) The School of Planning and Architecture, New Delhi for the year 1988-89; and (iv) The Indian Museum, Calcutta for the year 1989-90 and have made certain recommendations. The conclusions of the Committee are reflected in the Report.

3. The Committee considered and adopted the Report at their sitting held on 30 November, 1993.

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

NEW DELHI;
30 November, 1993

9 Agraphayana, 1915 (S)

CHHEDI PASWAN,
Chairman,
Committee on Papers
laid on the Table.

CHAPTER I

THE STATE AGRO INDUSTRIES CORPORATIONS LIMITED— DELAY IN LAYING ANNUAL REPORTS AND AUDITED ACCOUNTS FOR THE YEARS 1985-86 TO 1990-91

There are seventeen State Agro Industries Corporations Limited set up under the Companies Act, 1956, in which the Central Government equity participation ranges from 2.57 per cent to 50 per cent. As per Section 619-A of the Companies Act, 1956, the Annual Reports and Audited Accounts of these Corporations are required to be laid on the Table of the House after they are adopted at the Annual General Meetings. In accordance with the recommendation of the Committee contained in para 4.16 of their Second Report (5th Lok Sabha), the aforesaid documents are required to be laid in Parliament within 9 months of the close of the relevant accounting years.

1.2 The Committee considered in their 4th Report (Fifth Lok Sabha), presented to the House on 2 November, 1976, the abnormal delays in laying the Reports of these Corporations and had suggested *inter-alia* the following measures to clear the arrears of reports:—

- (i) The time schedule drawn up by the Ministry of Agriculture (Department of Agriculture and Cooperation) for finalisation and submission of the Annual Reports and Audited Accounts within 9 months of the close of the accounting years should be strictly adhered to.
- (ii) The Board of Directors appointed by the Central Government on these Corporations should in addition to their general duties, specifically be given the responsibility of looking into the financial state of these Corporations and suggesting steps for the timely preparation of accounts and annual report for their timely submission to the Government. And for any failure on their part, they should be held responsible for that.
- (iii) The Central Government would release further funds only when these Corporations would bring their accounts upto-date and the Government are satisfied that the provisions of the Companies Act, 1956 relating, particularly, to placing of Annual Reports and Audited Accounts in Parliament have been fully complied with.
- (iv) To avoid delay in appointing Statutory Auditors by the Department of Company Affairs, the Ministry should give a fair trial to the course of action suggested by the C&AG which is as under :

“That the C&AG agreed to initiation of action for appointment of auditors for the subsequent years, as soon as the accounts were audited for the preceding year and a certified copy thereof was made available to him, that is, without waiting for the Accountant General to complete his audit. By this process, if repeated in succession, a Government Company could hold a series of meetings of share holders and present its accounts making it possible to clear 3 or 4 years accounts within a period of one year. This decision was circulated by the Department of Company Affairs to all the Regional Directors/Registrars of Companies for the information of specially the defaulting companies.”

1.3 The erstwhile Ministry of Agriculture and Irrigation in their action taken reply furnished vide O.M. No. 5-8/77-MYCAI dated 25 July, 1977 [presented to the House vide 8th Report (6 L.S.) on 15.5.1972] had accepted the remedial measures suggested by the Committee for implementation. In their action taken report, the Committee further recommended that the Ministry should remain in constant touch with Agro-Industries Corporations to watch the progress of their Annual Reports and Accounts and suggest remedial measures as and when necessary, and the Annual Reports and Accounts which were still to be laid should be laid without further delay.

1.4 A review of the position of laying of Annual Reports and Audited Accounts in respect of these seventeen Corporations during the last five years from 1986-87 to 1990-91 indicates that these documents are being laid after abnormal delays ranging from 2 months to 9 years. The four Corporations from the States of Haryana, Himachal Pradesh, Punjab and Maharashtra have updated their Accounts and laid their Annual Reports and Audited Accounts covering the year i.e., 1990-91. The Remaining 13 corporations are in heavy arrears ranging from 1 year to 10 years. (A detailed statement indicating the position of laying of Reports of all the Corporations is given in *Annexure*).

1.5 In the statements laid alongwith the Reports, the reasons for delay have been explained as under:—

- (a) Late compilation of accounts of the Corporations.
- (b) Delay in appointment of the statutory auditors.
- (c) Delay in auditing of accounts by the auditors.
- (d) Delay in getting Annual Reports and Audited Accounts approved at the Annual General Meetings of the Corporations.

As regards remedial measures, the Ministry of Agriculture stated—

‘Serious efforts have been made by this Department to liquidate the arrears of pending annual reports of SAICs. Information was collected from the SAICs about the various stages on which their accounts for different years were placed. In addition, the problems and suggestions of the SAICs were also invited, and some of them were called for meeting. Based on the information and suggestions certain procedural problems came to the notice, where CAG and the Company Law Board (CLB) had not agreed to make relaxations in the past. These identified procedural problems were brought to the notice of CAG and Company Law Board through a number of D.O. letter written at the level of J.S. (PP&MY). A meeting under the Chairmanship of J.S. Tewari, Deputy CAG was convened to discuss and resolve these procedural problems. Based on the decisions taken in the meeting all the Managing Directors of SAICs have been directed to take necessary steps to liquidate the arrears.’

1.7 At their sitting held on 24.3.1993, the Committee considered the memorandum on the abnormal delays ranging from 2 months to 119 months in laying the Annual Reports and Audited Accounts of the 17 State Agro Industries Corporations Ltd. In view of the abnormal delays and the reasons furnished therefor by the Ministry of Agriculture (Department of Agriculture and Cooperation) being unsatisfactory, the Committee decided to call the representatives of the Ministry to tender oral evidence and Explain the reasons for delay in the matter. Accordingly, the representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation) appeared before the Committee on 12.5.1993 for tendering oral evidence.

1.8 When asked to explain the reasons for not laying the Annual Reports and Audited Accounts of these Corporations in time, the Secretary, Department of Agriculture and Cooperation stated that since 1979, the Central Government had stopped giving grants to these Corporations and these were now run by the concerned State Governments. He further stated that Annual Reports and Audited Accounts of some of these Corporations could not be laid in time. These were pending for being laid and some of these Corporations had not even prepared and finalised their accounts for some time.

1.9 Asked to explain the steps taken to remedy the problem, the Secretary stated that the Central Government had no control or authority over these Corporations except writing to the defaulting Corporations from time to time, holding meetings with them, asking the Directors of the Government to impress upon these Corporations to comply with statutory requirements. Apart from having stopped release of grants to these Corporations since 1979, the Ministry of Agriculture were proposing to surrender their share and handover these Corporations to the respective

State Governments to ensure their accountability to the respective State Legislature.

1.10 The Committee are distressed to note that Annual Reports and Audited Accounts of 17 Agro Industries Corporations could be laid before Parliament for the five years 1986-87 to 1990-91 after abnormal delays ranging from 2 months to 119 months. Out of these seventeen Corporations, five Corporations relating to the States of Haryana, Himachal Pradesh, Maharashtra, Punjab and Kerala have cleared their arrears of reports upto the year 1990-91. The remaining 12 Corporations are in heavy arrears ranging from 1 year to 10 years.

1.11 The Committee are not satisfied with the explanation given by the Ministry of Agriculture (Department of Agriculture and Cooperation) in dealing with the problem of mounting arrears of Annual Reports and Audited Accounts of the Remaining 12 State Agro Industries Corporations. Instead of monitoring the problem on a year to year basis since 1979, the Ministry have allowed things to take their own course resulting in an irremediable situation with unmanageable arrears of Reports and Accounts.

1.12 The Committee recommend that the Ministry of Agriculture (Department of Agriculture and Cooperation) should consider setting up a separate cell consisting of senior officers to deal with the grave situation of mounting arrears of Reports and Accounts and make concerted efforts to resolve the problem. The Ministry can, if necessary, take up the matter with the appropriate authority in the States to ensure that the pending Annual Reports and Audited Accounts of the Corporations are laid in Parliament without wasting further time.

1.13 The Committee further recommend that the Annual Reports and Audited Accounts of the State Agro Industries Corporations should invariably be laid in Parliament till the accountability to lay these documents lies with the Central Government.

ANNEXURE

Statement Indicating the Position of Laying of Annual Reports and Audited Accounts of the State Agro Industries Corporations where the Central Government have held Share Capital

Sl. No.	Name of the Agro-Industries Corporation	Paid up share Capital of the Govt. of India & its percentage as on 31-3-1992 Rs. in lakhs	Year of Annual Reports/Audited Accounts for the five years from 1986-87 to 1990-91.	Date when laid on the Table of the House	Period of delay
1	2	3	4	5	& 6
1.	Andhra Pradesh	269.0 (29.1%)	1985-86	16.3.89	2 years & 2 ½ months
2.	Assam	110.0 (50%)	1980-81 1981-82	10.1.91 3.12.92	9 years 10 years
3.	Bihar	245.0 (32.08%)	1981-82 1982-83	24.9.92 18.8.92	9 ¼ years 8 ½ years
4.	Gujarat	248.0 (49.01%)	1986-87 (1-4-86 — 31-12-87) 1988-89 (1-1-88 to 31-3-89) 1989-90	17.5.90 10.1.91 5.3.92	1 year 8 months 1 year 2 months
5.	Haryana	94.83 (22.90%)	1986-87 1987-88 1988-89 1989-90 1990-91	1.9.88 6.4.89 23.3.90 1.8.91 5.3.92	8 months 3 months 3 months 7 months 2 months
6.	Himachal Pradesh	171.50 (19.79%)	1986-87 1987-88 1988-89 1989-90 1990-91	2.5.88 2.3.89 3.5.90 25.7.91 7.5.92	4 months 2 months 4 months 6 ½ months 4 months
7.	Jammu & Kashmir	93.76 (47.89%)	1979-80	28.12.89	9 years
8.	Kerala	163.187 (34.88%)	1986-87 1987-88 1988-89 1989-90 1990-91	2.3.89 22.3.90 12.9.91 16.7.92 3.12.92	1 year 1 ¼ months 1 year 1 year 1 year 6 ½ months 11 months
9.	Karnataka	294.0 (38.98%)	1986-87 1987-88 1988-89	9.3.89 4.1.91 6.8.92	1 year 1 month 2 years 2 ½ years

1	2	3	4	5 & 6
10.	Maharashtra	250.0 (45.45%)	1986-87 1987-88 1988-89 1989-90 1990-91	11.4.88 3 months 6.4.89 3 months 23.3.90 2 ½ months 11.3.91 2 months
11.	Madhya Pradesh	75.0 (23.47%)	1984-85 1985-86	30.4.92 6 years 4 months 3.12.92 6 years
12.	Orissa	66.72 (16.57%)	1983-84	4.1.91 7 years
13.	Punjab	120.0 (2.57%)	1986-87 1987-88 1988-89 1989-90 1990-91	3.8.89 1 year 7 months 28.12.89 1 year 4 months 3.5.90 4 months 18.7.91 6 months 18.3.92 2 months
14.	Rajasthan	187.75 (34.72%)	1986-87 1987-88 1988-89	31.5.90 2 ½ years 27.7.91 2 years 7 months 30.7.92 2 years 7 months
15.	Tamil Nadu	165.0 (45.83%)	1986-87 1987-88 1988-89 1989-90	29.3.91 2 ¼ years 6.9.90 1 year 8 months 18.7.91 1 ½ years 7.5.92 1 year 4 months
16.	Uttar Pradesh	332.0 (17.47%)	1984-85	12.12.91 6 years
17.	West Bengal	269.021 (32.0%)	1984-85	9.4.92 6 years 3 months

CHAPTER II

THE CENTRE FOR RAILWAY INFORMATION SYSTEMS (CRIS) — DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS FOR THE YEARS 1986-87 TO 1989-90

The Centre for Railway Information Systems (CRIS) was set up as a registered society in 1986 under the Ministry of Railways to implement the Computerised Freight Operations Information System on Indian Railways. Though registered in 1986, the Centre actually started functioning from July, 1987.

2.2 The Annual Reports and Audited Accounts of the Centre for Railway Information Systems (CRIS) for four years viz., 1986-87, 1987-88, 1988-1989 and 1989-1990 were laid together with Review on the Table of Lok Sabha on 17 December, 1991. As per recommendation of the Committee made in para 3.5 of their First Report (Fifth Lok Sabha), the aforesaid four Annual Reports and Audited Accounts should have been laid on the Table of Lok Sabha by 31 December, 1987, 31 December, 1988, 31 December, 1989 and 31 December, 1990 respectively. Thus, the delay in laying the Annual Reports and Audited Accounts came to about 4 years, 3 years, 2 years and 1 year respectively. Further, the Ministry of Railways did not lay a statement explaining the reasons for delay in laying the aforesaid documents, as per requirement of Committee's recommendation.

2.3. In this connection, the Ministry of Railways were requested to furnish information on certain points. The points raised and the replies furnished thereto were as under:—

POINTS	REPLIES			
	1986-87	1987-88	1988-89	1989-90
I. The dates when—				
(a) Statutory auditors were appointed by C&AG;	13.06.87	13.06.87	13.06.87	13.06.87
(b) The Annual Accounts for four years from 1986-87 to 1989-90 were compiled for being handed over to statutory auditors for auditing;	11.02.88	18.08.88	25.07.89	19.07.90
(c) The accounts were handed over to auditors;	11.02.88	18.08.88	25.07.89	19.07.90

POINTS	REPLIES			
	1986-87	1987-88	1988-89	1989-90
(d) The auditing of accounts commenced and the time taken in it;	11.02.88 to 15.06.88	08.09.88 to 28.02.89	11.08.89 to 15.12.89	10.09.90 to 25.03.91
(e) The auditors furnished the final audit Reports to the Organisation;	22.08.88	27.04.90	16.01.91	28.08.91
(f) The Annual Report and Audited Accounts were approved from the Governing Council of the Organisation;	27.12.91	27.12.91	27.12.91	27.12.91
(g) The Annual Report & the Audited Accounts for four years were taken up for translation and the time taken in it;	From 1.11.91 to 28.11.91		(one week)	
(h) The Annual Report & Audited Accounts were sent to the Ministry of Railways for laying on the Table of the House.	17.12.91	17.12.91	17.12.91	17.12.91

POINTS	REPLIES
II. The reasons for not having laid the Annual Reports and Audited Accounts in Parliament since 1987.	<p>The Centre for Railway Information Systems (CRIS) has been set up as a registered society under the Ministry of Railways to implement the Computerised Freight Operations Information System (FOIS) on Indian Railways. It also serves as an umbrella organisation to implement all major computerisation activities on Indian Railways. Upto the year 1989-90, no subsidies/shares, grants-in-aid, etc. were given to CRIS. CRIS was to function merely as an executing agency for works of Railways for which they used to get advance money from Railways. The release of such advance is subject to the internal accounts checks as per Railways departmental procedure. Only in the year 1989-90, it was thought of giving grant-in-aid to CRIS to be spent by them at their discretion. (The actual money was released only in 1990-91). Hence only in the year 1990-91, the need to submit audited accounts to Parliament became evident beyond doubt. It was then considered prudent to place the accounts for the entire period since inception of the Organisation.</p>

POINTS	REPLIES
III. The reasons for not laying a Delay statement alongwith the Report and Audited Accounts.	The oversight is regretted. However, suitable remarks were furnished in the last para of the 'Review Statement' submitted alongwith the audited accounts.
IV. The latest position regarding finalisation of the Annual Report and Accounts of the Organisation for the subsequent year 1990-91.	Annual Report and Accounts for the year 1990-91 have been prepared and submitted to Audit on 29.5.1991. The auditing work has commenced on 1.11.1991 and is continuing. Final Annual Reports and Accounts would be submitted on receipt from Audit.
V. The remedial measures taken/proposed to be taken to ensure timely laying of the reports in future.	No difficulty is envisaged in timely laying of the report in future. The procedure has been streamlined and CRIS has been instructed to lay the Report in time.

2.4. The Committee, at their sitting held on 8 February, 1993, considered the matter regarding delay ranging from 1 to 4 years in laying Annual Reports and Audited Accounts of the Centre for Railways Information Systems for the years 1986-87 to 1989-90. As the reasons furnished by the Ministry in this regard were not found satisfactory, the Committee decided to hear the representatives of the Ministry of Railways to explain the reasons. The representatives of the Ministry of Railways accordingly appeared before the Committee on 24 March, 1993 and tendered oral evidence in the matter.

2.5. Explaining the reasons for abnormal delay in laying the Annual Reports and Audited Accounts of the Centre for the years 1986-87 to 1989-90, the Adviser (CRIS) stated that a decision to place reports of the first three years was taken only in 1989-90. The entire confusion arose because only such public sector undertakings or societies as were financed by the Government in the shape of shares, subsidies or grant-in-aid were supposed to place their annual reports and the audited accounts before Parliament. For the first four years from 1986-87 to 1989-90, no financial subsidy or participation by Government was involved. It was thought for the first time in 1989-90 that grant-in-aid should be given to CRIS for the implementation of FOIS Project. But no amount was released in 1989-90. The grant-in-aid was, however, released in 1990-91 for the first time. So, the necessity for compiling the annual report and audited accounts for placing them before the Houses of the Parliament arose only in 1990-91. Then it was also decided internally that as the Report was going to be placed for the first time, this could be done right from the inception of this body even though it was not required to do so and it was done to be on the safer side. So it was thought that it would be prudent to place the earlier three years documents even though technically it was not so required. That is precisely the reason as to why the accounts and reports for all the four years were placed before Parliament at one point of time.

2.6. With regard to the position of the Annual Report and Audited Accounts for the year 1990-91, the witness informed the Committee that these documents had already been placed on the Table of the House and the accounts for the subsequent year were under audit. The witness added that the Auditors had sent a very large and voluminous questionnaire which had been received only a few weeks back and the Ministry was trying to satisfy them on all those points. The Ministry would be able to finalise it very shortly and place it on the Table of the Houses.

2.7. Asked about the remedial measures taken by CRIS so that the Annual Reports and Audited Accounts could be laid within the prescribed time limit, the witness stated that the Ministry had laid down time schedule for the current year's annual report and audited accounts. They also proposed to constitute a two-member departmental Committee to look into the problem, if necessary, and ensure that these documents reached CAG's office in time. The witness expressed the view that the time-schedule chalked out by the Ministry would definitely bring about considerable improvement in the functioning of the organisation.

2.8. The Committee regret to note that the Annual Reports and Audited Accounts of the Centre for Railway Information Systems for the years 1986-87 to 1990-91 were laid on the Table of Lok Sabha after delays ranging from 1 to 4 years.

2.9. The Committee are not convinced with the reasons advanced by the representatives of the Ministry of Railways for not laying these documents earlier i.e. within the prescribed period of 9 months from the close of the accounting year. The Committee find from the Accounts of the Centre that funds were given by the Ministry of Railways to the Centre during the years 1986-87 to 1989-90 also and these funds were utilised by the Centre in procuring assets, computers etc. and in meeting out various expenses of the Centre. Hence, the Committee feel that the Annual Reports and Audited Accounts from 1986-87 to 1989-90 of the Centre ought to have been laid in Parliament.

2.10 The Committee are unhappy to note that the Ministry did not discharge their duties in ensuring timely finalisation of Annual Reports and Audited Accounts of the Centre and they allowed the Centre to take its own time in finalisation of the said documents. This lapse on the part of the Ministry as well as on the Centre contributed towards delay in (i) compilation of annual accounts; (ii) auditing of the accounts; and (iii) approval of the Reports and Accounts from the Governing Council.

2.11 The Committee find from the information furnished by the representatives of the Ministry of Railways during their oral evidence that the auditors had sent in a very large and voluminous questionnaire to be replied to by the CRIS pertaining to the annual accounts for the year 1991-92. The Committee apprehend from the above information that the annual accounts

were either wanting or were not being maintained properly by the CRIS and that was why the auditors had to raise too many queries.

2.12 The Committee therefore, recommend that the CRIS should introduce concurrent internal audit for the accounts as soon as the transactions take place. This would help the statutory auditors to finally audit the accounts of the CRIS within the shortest possible time and the queries, if any, raised by them would be resolved during the audit itself.

2.13 The Committee trust that the Ministry would effectively implement the remedial measures as stated during their evidence before the Committee and monitor them properly so as to ensure timely finalisation of the Annual Reports and Audited Accounts of the Centre for their being laid in Parliament within the prescribed period of 9 months from the close of the respective accounting years in future.

CHAPTER III

THE SCHOOL OF PLANNING AND ARCHITECTURE, NEW DELHI—DELAY IN LAYING ANNUAL AND AUDIT REPORT FOR THE YEAR 1988-89

The School of Planning and Architecture, New Delhi, established in July, 1955 and deemed to be a University, was an autonomous institution of higher learning fully financed by the Government of India, Ministry of Human Resource Development (Department of Education). The School provided under-graduate and post-graduate education, research and extension services in the fields of Architecture, Landscape, Physical Planning, Urban Regional and Environmental Planning, Housing, Transport, Urban Design and Building Engineering & Management. The School had instituted Doctoral Programmes since 1985.

3.2. The Annual and Audit Reports of the School of Planning and Architecture, New Delhi for the year 1988-89 were laid together with a delay statement on the Table of Lok Sabha on 14 July, 1992. As per recommendation of the Committee contained in para 3.5 of their First Report (Fifth Lok Sabha) the Annual Report, Audited Accounts & Audit Report thereon should have been laid together within 9 months of the close of the accounting year *i.e.* by 31 Dec., 1989. Thus the period of delay in laying the Annual and Audit Reports of the University came to 30½ months.

3.3 In the statement laid alongwith Annual and Audit Reports, the reasons for delay were explained as under:—

“The Annual and Audit Report in English and Hindi versions in respect of the School of Planning and Architecture, New Delhi for the year 1988-89 were required to be laid simultaneously before the House within the prescribed period of nine months after the close of the accounting year. The copies of the Annual and Audit Reports in English for the year 1988-89 were received from the College on 24.7.1991. The corrected copies of Hindi version were received on 7.8.1991. The Annual and the Audit Report of the School of Planning and Architecture, New Delhi for 1988-89 could not be laid on the Table of the House because of short period of sessions of Rajya Sabha and dissolved 9th Lok Sabha. Extension of time beyond 31.12.1990 for laying the Annual and the Audit Reports of the College for 1988-89 on the Table of the House was obtained from the Committee on Papers Laid. After constitution of the 10th Lok Sabha the Parliament Session has commenced and, therefore, the Annual and Audit Reports for 1988-89 of the School

of Planning and Architecture, New Delhi are now being laid before the House."

3.4. In this connection, the Ministry of Human Resource Development (Department of Education) who were requested to furnish information on certain points, furnished the same as under:—

POINTS	REPLIES
1. the dates when (a) the statutory auditors were appointed;	The accounts of the School of Planning and Architecture are audited by the Audit Party of the Office of Principal Director of Audit, Central Revenues, New Delhi.
(b) The accounts of the School were compiled and were ready for being handed over to auditors;	27th July, 1989.
(c) The account were handed over to auditors for auditing;	i) 27th July, 1989. ii) The revised accounts after incorporating the accounts of the Consultancy fees for 1988-89 were sent on 10th May, 1990.
(d) The auditing of accounts commenced by the auditors and the time taken in it;	i) 14th August, 1989 to 13th September, 1989. ii) 25th May, 1990 to 3rd August, 1990.
(e) the auditors furnished the final audit report to the School;	18th January, 1991.
(f) the annual report was finalised;	18th January, 1991.
(g) the Annual Report and Audited Accounts were got approved from the Governing Body/Executive Council/ Finance Committee of the School;	18th January, 1991.
(h) the Annual Report and Audited Accounts were taken up for translation and printing and the time taken in it;	About 3 weeks.
(i) the finalised Annual Report and Audited Accounts in both Hindi and English version were sent to the Ministry for being laid in Parliament;	The printed copies of Annual & Audit Report for the year 1988-89 were received on 11th February, 1991. These were returned to the School for carrying out corrections as pointed out by the Audit. The corrected copies were received on 7th August, 1991.
(j) the delay statement and Review were prepared by the Ministry; and	The preparation, translation and authentication takes enough time and since the Monsoon Session of the Parliament was coming to a close, the

POINTS	REPLIES
(k) the Annual Report and Audited Accounts alongwith Review and Delay Statement were got authenticated from the Minister.	Report could not be laid in the Parliament during that Session. Therefore, the Review and Delay Statement could be got approved in November, 1991. June, 1992.
II. The reasons for taking about 11 months after receipt of the required documents in Ministry for laying them in Lok Sabha on 14 July, 1992.	This has been explained in I (i), I (j) and I (k) above.
III. The latest position regarding finalisation of the Annual Report and Audited Accounts for the subsequent years 1989-90 and 1990-91. When these are expected to be laid in Parliament.	The Report of the School for 1989-90 have been laid in Lok Sabha on 20th August, 1992. The Report of the School for 1990-91 has been received from, the School and will be laid in the Parliament during the Session commencing from 22nd February, 1993*.
IV. The detailed remedial measures taken or proposed to be taken both in the Ministry and the School to ensure timely laying of the Annual Reports and Audited Accounts within the prescribed period of 9 months from the close of the accounting years, infutures	All efforts are being made to ensure that there is no delay in laying these documents before the House.

*Since laid on 27.4.1993.

3.5 The matter was considered by the Committee at their sitting held on 15 December 1993.

3.6 The Committee regret to note that the Annual Report and Audited Accounts of the School of Planning and Architecture for the year 1989-90 were laid on the Table of Lok Sabha after a delay of about 30½ months over and above the grace period of 9 months from the close of the accounting year. The Committee find from the information furnished by the Ministry of Human Resource Development (Department of Education) that the delay took place mainly in (i) compilation of annual report and accounts; (ii) auditing and furnishing audit certificate; (iii) forwarding the documents by the School to the Ministry for being laid in Parliament; and (iv) preparing review, delay statement and thereafter getting all the required documents authenticated from the Minister concerned. The Committee recommend that the Ministry and the School should keep a close watch at each stage of finalisation and submission of the annual report and audited accounts and the Senior Officers both in the Ministry as well as in the School should monitor the progress to obviate recurrence of delay. It is needless to say that concerted steps be taken to expedite the finalisation of the annual report and the audited accounts and other connected documents

for the year 1991-92 with a view to lay them in Parliament without undue long delays.

3.7 The Committee are apt to feel that the accounts for the year 1988-89 were not properly drawn and checked by the School authorities before handing them over to the auditors. As a result, the need arose to revise the accounts. The Committee note with surprise that it took the School authorities about 8 months in incorporating the accounts of the consultancy fees. The Committee observe that the School authorities were inactive for long spells of time till January, 1991 when they all of a sudden took up consideration and finalisation of the annual report and audit report and also got them approved from the Governing Body in one single day. The Committee deplore the carelessness on the part of the School authorities in forwarding the incorrect copies of the Audited Accounts to the Ministry for the purpose of laying them in Parliament. In the ultimate consequence, another 5 months were wasted in carrying out the corrections in the accounts.

3.8 The Committee express their dissatisfaction over the unduly long period of 10 months taken by the Ministry, after receipt of the documents from the School authorities, in preparing review, delay statement and getting all the documents authenticated from the Minister concerned. The Committee are not convinced of the reasons stated in the delay statement that the documents could not be laid on the Table of the House due to dissolution of the Ninth Lok Sabha. In fact, having received the documents on 7 August, 1991, the Ministry failed to lay them on the Table even during the First and Second Session of the Tenth Lok Sabha. Had the Ministry been vigilant, much of the delay could have been averted on this score. The Committee recommend that the authorities concerned should devise suitable procedural checks so as not to recur such lapses.

CHAPTER IV

THE INDIAN MUSEUM, CALCUTTA—DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS FOR THE YEAR 1989-90

The Indian Museum, Calcutta was founded in 1814. It was a statutory body fully funded by the Ministry of Human Resource Development (Department of Culture).

4.2 The Annual Report and Audited Accounts and Audit Report thereon of the Indian Museum, Calcutta, for the year 1989-90 were laid together with Review and Delay Statement on the Table of the House on 22 December, 1992. As per recommendation of the Committee contained in para 3.5 of their First Report (Fifth Lok Sabha) the aforementioned documents should have been laid within nine months of the close of the accounting year i.e. by 31 Dec., 1990. Thus the period of delay in laying Annual Report and Audited Accounts came to about 24 months.

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

“These could not be placed before the House in the last session because of non-receipt of Annual Report and Audited Accounts from the Indian Museum well in time. While the copies of the Accounts and Report were received in the Department of Culture only on the 1st January, 1991, the Audit Certificate has been received only on 16.11.1992. Thus these could not be laid before the Parliament.

A brief account of the steps involved in finalising is as under:—

1. Date of supply of Annual Accounts to the Audit	27.6.90
2. Duration of the Audit	17.7.90 to 30.8.90
3. Discussion of inspection Report relating to 1989-90	30.8.90
4. Date of Receipt of Draft Audit Report	27.11.90
5. Date of reply to Draft Audit Report by Indian Museum, Calcutta	12.12.90
6. Date of Receipt of Audit Certificate in the Department	8.2.91
7. Date of Receipt of copies of Annual Report and Audited Accounts for 1989-90 in the Department from Indian Museum	1.1.91
8. Date of Receipt of Audit Certificate from Indian Museum	16.11.92

The papers are now being laid on the Table of both the Houses of Parliament.

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

4.4 the Ministry of Human Resource Development (Department of Culture) who were requested on 5 January, 1993 to furnish information on certain points in this regard, furnished the same in March, 1993 as under:—

POINTS	REPLIES
I. The reasons for the Indian Museum not having sent the required Audit Certificate to the Ministry soon after its receipt in the Museum on 8 February, 1991.	The Annual Report and Audited Accounts for the year 1989-90 were received from the Indian Museum on 1st January, 1991. The review and delay statement were prepared and submitted for authentication of Minister on 28 February, 1991. As the Union Cabinet was reshuffled the papers were received back unauthenticated on 21.6.91. Documents were again submitted for authentication on 24.7.91. Authenticated documents were received from Minister's office on 3.9.1991. Report sent to Rajya Sabha/Lok Sabha Secretariat on 6.9.1991.
II. The action taken by the Ministry to obtain the required audit certificate from the Museum after receiving the Annual Report and Audited Accounts on 1 January, 1991.	While the Rajya Sabha Secretariat had accepted the report for laying on the Table of the House, the Lok Sabha Secretariat refused to accept the report without the Audit Certificate. Accordingly, a telegram was sent on 23.9.1991 to Director, Indian Museum to furnish the Audit Certificate. A reminder was sent on 6.12.91. Since the Audit Certificate was not received, another reminder was sent on 18 May, 1992. The Indian Museum informed through telex that they furnished the documents on 18.6.92. However, the copies of Audit Certificate had not been received in the Department. Another reminder was therefore, sent on 11.8.92. Copies of the certificate were received only on 16.11.92.
III. The date when the delay statement and Review were prepared and all the required documents were got authenticated by the Minister for being laid in Lok Sabha.	The documents for the year 1990-91 have since been received in the Department and these will be laid on the Table of the House during the ensuing session i.e. the Budget Session of 1993. The documents for the year 1991-92 have not been received from Indian Museum. The Indian Museum authorities have been requested to send the same as early as possible.
IV. The latest position regarding finalisation of these documents of the Museum for the subsequent years 1990-91 and 1991-92. When these are expected to be laid in Parliament?	

POINTS

REPLIES

V. The remedial measures taken or proposed to be taken by the Ministry in consultation with the Museum to obviate the recurrence of delays in laying the required documents in Parliament.

In order to obviate the recurrence of delays in laying the Annual Report and Audited Accounts in the Parliament, this Department has chalked out a timetable which would be adhered to by the Indian Museum, Calcutta in finalising these documents. This department expect that the Report for the year 1992-93 will be laid on the Table of both the Houses of Parliament within the stipulated period.

4.5 The matter was considered by the Committee at their sitting held on 15 September, 1993.

4.6 The Committee are unhappy to note that the Annual Report and Audited Accounts of the Indian Museum, Calcutta for the year 1989-90 were laid on the Table of Lok Sabha after a delay of about 24 months over and above the grace period of 9 months from the close of the accounting year. The documents for the year 1990-91 were also laid after a delay of about 16 months i.e. on 27 April, 1993 and those for the year 1991-92 were yet to be laid on the Table. It is revealed from the delay statement and subsequent information furnished for the year 1989-90 by the Ministry of Human Resource Development (Department of Culture) that the delay took place at the stages of (i) auditing of annual accounts and thereafter furnishing audit certificate; and (ii) authentication of the required documents from the Ministry; and due to negligence on the part of the Ministry in forwarding incomplete documents to Lok Sabha Secretariat for laying them in Parliament. The Committee desire the Ministry to prepare a time-schedule in consultation with the Indian Museum for completion of various stages of finalisation of reports and accounts and strictly adhere to it with a view to ensure that the Annual Report and Accounts are laid in Parliament within the prescribed period of 9 months from the close of the accounting year.

4.7 The Committee take a serious note of the fact that the Indian Museum did send incomplete documents to the Ministry for being laid on the Table of the House. The Ministry also did not scrutinise the documents properly and in turn sent these documents which did not include audit certificate to the audited accounts, to the Lok Sabha Secretariat. Consequently, the documents were returned back resulting in further delay. The Committee deplore the carelessness with which the matter was dealt with by the concerned authorities. The Committee cannot but recommend that in future, the Ministry must scrutinise all the documents carefully and ensure that the relevant documents are correct and complete in all respect before sending them to the Lok Sabha Secretariat for laying in Parliament.

4.8 The Committee regret to note that about 7½ months were spent at the stage of auditing of the accounts for the year 1989-90. The Committee also observe that the Museum did not make any effort for early finalisation of the audit report by pursuing the matter with the audit authorities. The Committee recommend that whenever there is any delay on the part of the auditors in auditing and furnishing audit report, the matter should be closely pursued with them at the appropriate level.

4.9 The Committee are not convinced with the explanation given by the Ministry with regard to delay of 8 months caused by them in getting the documents authenticated from the Minister concerned. Had the Ministry prepared the review and the delay statement expeditiously and made sincere efforts in getting the documents authenticated from the Ministry, the period of delay on this count could have been minimised to a great extent. The Committee need hardly emphasize that the Ministry should not take much time, after receipt of the documents from the organisation, in preparing review, delay statement and getting the documents authenticated from the Minister.

NEW DELHI;
 30 Novemehr, 1993

 9 Agrahayana, 1915 (Saka)

CHHEDI PASWAN,
 Chairman,
 Committee on Papers laid on the
 Table (1992-93).

APPENDIX

Summary of recommendations/observations contained in the Report

S.No.	Reference to Para No. of the Report	Summary of recommendation/observation
1	2	3
1	1.10	The Committee are distressed to note that Annual Reports and Audited Accounts of 17 Agro Industries Corporations could be laid before Parliament for the five years 1986-87 to 1990-91 after abnormal delays ranging from 2 months to 119 months. Out of these seventeen Corporations, five Corporations relating to the States of Haryana, Himachal Pradesh, Maharashtra, Punjab and Kerala have cleared their arrears of reports upto the year 1990-91. The remaining 12 Corporations are in heavy arrears ranging from 1 year to 10 years.
2	1.11	The Committee are not satisfied with the explanation given by the Ministry of Agriculture (Department of Agriculture and Cooperations) in dealing with the problem of mounting arrears of Annual Reports and Audited Accounts of the remaining 12 State Agro Industries Corporations. Instead of monitoring the problem on a year to year basis since 1979, the Ministry have allowed things to take their own course resulting in an irremediable situation with unmanageable arrears of Reports and Accounts.
3	1.12	The Committee recommend that the Ministry of Agriculture (Department of Agriculture and Cooperation) should consider setting up a separate cell consisting of senior officers to deal with the grave situation of mounting arrears of Reports and Accounts and make concerted efforts to resolve the problem. The Ministry can, if necessary, take up the matter with the appropriate authority in the States to ensure that the pending Annual Reports and Audited

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		Accounts of the Corporations are laid in Parliament without wasting further time.
4	1.13	The Committee further recommend that the Annual Reports and Audited Accounts of the State Agro Industries Corporations should invariably be laid in Parliament till the accountability to lay these documents lies with the Central Government.
5	2.8	The Committee regret to note that the Annual Reports and Audit Accounts of the Centre for Railway Information Systems for the years 1986-87 to 1990-91 were laid on the Table of Lok Sabha after delays ranging from 1 to 4 years.
6	2.9	The Committee are not convinced with the reasons advanced by the representatives of the Ministry of Railways for not laying these documents earlier i.e. within the prescribed period of 9 months from the close of the accounting year. The Committee find from the Accounts of the Centre that funds were given by the Ministry of Railways to the Centre during the years 1986-87 to 1989-90 also and these funds were utilised by the Centre in procuring assets, computers etc. and in meeting out various expenses of the Centre. Hence, the Committee feel that various Annual Reports and Audited Accounts from 1986-87 to 1989-90 of the Centre ought to have been laid in Parliament.
	2.10	The Committee are unhappy to note that the Ministry did not discharge their duties in ensuring timely finalisation of Annual Reports and Audited Accounts of the Centre and they allowed the Centre to take its own time in finalisation of the said documents. This lapse on the part of the Ministry as well as on the Centre contributed towards delay in (i) compilation of annual accounts; (ii) auditing of the accounts; and (iii) approval of the Reports and Accounts from the Governing Council.
	2.11	The Committee find from the information furnished by the representatives of the Ministry of Railways

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		during their oral evidence that the auditors had sent in a very large and voluminous questionnaire to be replied to by the CRIS pertaining to the annual accounts for the year 1991-92. The Committee apprehend from the above information that the annual accounts were either wanting or were not being maintained properly by the CRIS and that was why the auditors had to raise too many queries.
9	2.12	The Committee, therefore, recommend that the CRIS should introduce concurrent internal audit for the accounts as soon as the the transactions take place. This would help the statutory auditors to finally audit the accounts of the CRIS within the shortest possible time and the queries, if any, raised by them would be resolved during the audit itself.
10	2.13	The Committee trust that the Ministry would effectively implement the remedial measures as stated during their evidence before the Committee and monitor them properly so as to ensure timely finalisation of the Annual Reports and Audited Accounts of the Centre for their being laid in Parliament within the prescribed period of 9 months from the close of the respective accounting years in future.
11	3.6	The Committee regret to note that the Annual Report and Audited Accounts of the School of Planning and Architecture for the years 1988-89 were laid on the Table of Lok Sabha after a delay of about 30½ months over and above the grace period of 9 months from the close of the accounting year. The Committee find from the information furnished by the Ministry of Human Resource Development (Department of Education) that the delay took place mainly in (i) compilation of annual report and accounts; (ii) auditing and furnishing audit certificate; (iii) forwarding the documents by the School to the Ministry for being laid in Parliament; and (iv) preparing review, delay statement, and thereafter getting all the required documents authenticated from the Minister concerned. The Committee recommend that the Ministry and the School should keep a close watch at each stage of finalisation and submission of

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		<p>the annual report and audited accounts and the Senior Officers both in the Ministry as well as in the School should monitor the progress to obviate recurrence of delays. It is needless to say that concerted steps be taken to expedite the finalisations of the annual report and the audited accounts and other connected documents for the year 1991-92 with a view to lay them in Parliament without undue long delays.</p>
12	3.7	<p>The Committee are apt to feel that the Accounts for the year 1988-89 were not properly drawn and checked by the School authorities before handing them over to the auditors. As a result, the need arose to revise the accounts. The Committee note with surprise that it took the School authorities about months in incorporating the accounts of the Consultancy fees. The Committee observe that the School authorities were inactive for long spells of time till January, 1991 when they all of a sudden took up consideration and finalisation of the annual report and audit report and also got them approved from the Governing Body in one single day. The Committee deplore the carelessness on the part of the School authorities in forwarding the incorrect copies of the Audited Accounts to the Ministry for the purpose of laying them in Parliament. In the ultimate consequence, another 5 months were wasted in carrying out the corrections in the accounts.</p>
13	3.8	<p>The Committee express their dissatisfaction over the unduly long period of 10 months taken by the Ministry, after receipt of the documents from the School authorities, in preparing review, delay statement and getting all the documents authenticated from the Minister concerned. The Committee are not convinced of the reasons stated in the delay statement that the documents could not be laid on the Table of the House due to dissolution of the Ninth Lok Sabha. In fact, having received the documents on 7 August, 1991, the Ministry failed to lay them on the Table even during the First and Second Session of the Tenth Lok Sabha. Had the Ministry been vigilant,</p>

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		much of the delay could have been averted on this score. The score. The Committee recommend that the authorities concerned should device suitable procedural check so as not to recur such lapses.
14	4.6	The Committee are unhappy to note that the Annual Report and Audited Accounts of the Indian Museum, Calcutta for the year 1989-90 were laid on the Table of Lok Sabha after a delay of about 24 months over and above the grace period of 9 months from the close of the accounting year. The documents for the year 1990-91 were also laid after a delay of about 16 months i.e. on 27 April, 1993 and those for the year 1991-92 were yet to be laid on the Table. It is revealed from the delay statement and subsequent information furnished for the year 1989-90 by the Ministry of Human Resource Development (Department of Culture) that the delay took place at the stages of (i) auditing of annual accounts and thereafter furnishing audit certificate; and (ii) authentication of the required documents from the Ministry; and due to negligence on the part of the Ministry in forwarding incomplete documents to Lok Sabha Secretariat for laying them in Parliament. The Committee desire the Ministry to prepare a time-schedule in consultation with the Indian Museum for completion of various stages of finalisation of reports and accounts and strictly adhere to it with a view to ensure that the Annual Report and Accounts are laid in Parliament within the prescribed period of 9 months from the close of the accounting year.
15	4.7	The Committee take a serious note of the fact that the Indian Museum did send incomplete documents to the Ministry for being laid on the Table of the House. The Ministry also did not scrutinise the documents properly and in turn sent these documents which did not include audit certificate to the audited accounts, to the Lok Sabha Secretariat. Consequently, the documents were returned back resulting in further delay. The Committee deplore the carelessness with which the matter was dealt with by the concerned

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		<p>authorities. The Committee cannot but recommend that in future, the Ministry must scrutinise all the documents carefully and ensure that the relevant documents are correct and complete in all respect before sending them to the Lok Sabha Secretariat for laying in Parliament.</p>
16	4.8	<p>The Committee regret to note that about 7½ months were spent at the stage of auditing of the accounts for the year 1989-90. The Committee also observe that the Museum did not make any effort for early finalisation of the audit report by pursuing the matter with the audit authorities. The Committee recommend that whenever there is any delay on the part of the auditors in auditing and furnishing audit report, the matter should be closely pursued with them at the appropriate level.</p>
17	4.9	<p>The Committee are not convinced with the explanation given by the Ministry with regard to delay of 8 months caused by them in getting the documents authenticated from the Minister concerned. Had the Ministry prepared the review and the delay statement expeditiously and made sincere efforts in getting the documents authenticated from the Minister, the period of delay on this account could have been minimised to a great extent. The Committee need hardly emphasize that the Ministry should not take much time, after receipt of the documents from the organisation, in preparing review, delay statement and getting the documents authenticated from the Minister.</p>
