

**COMMITTEE ON PAPERS LAID ON THE TABLE  
(2017-2018)**

**SIXTEENTH LOK SABHA**

**TWENTY SECOND REPORT**

**(Presented on 09 August, 2018)**



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI  
August 2018/ Shravana, 1940(Saka)**

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# **COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE**

**(2017-2018)**

**Shri Chandrakant Khaire** - **Chairperson**

## **M E M B E R S**

2. Shri Dushyant Chautala
3. Shrimati Veena Devi
4. Shri P.C. Gaddigoudar
5. Shri Laxman Giluwa
6. Shri Choudhury Mohan Jatua
7. Shrimati Mausam Noor
8. Shri Bheemrao B. Patil
9. Shri Sanjaykaka Ramchandra Patil
10. Shri Bishnupada Ray
11. Shri Manohar Untwal
12. Shri Uday Pratap Singh
13. Shri Virendra Singh
14. Shri P.R. Sundaram
15. Vacant\*

## **SECRETARIAT**

1. Dr. Preeti Srivastava - Joint Secretary
2. Smt. Rita Jailkhani - Director
3. Smt. Maya Lingi - Additional Director
4. Smt. Rajni Bhagat - Committee Officer

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\* Shri Midhun Reddy resigned w.e.f 20.06.2018

## **INTRODUCTION**

I, Chairperson of the Committee on Papers Laid on the Table of the House (2017-18), having been authorized by the Committee to present this Report on their behalf, present this Twenty Second Report in respect of delay in laying of the Annual Reports together with Audited Accounts of the U.P. Projects Corporation Limited (Company), Lucknow.

2. In terms of the recommendation of the Committee on Papers Laid on the Table contained in its First Report, Second Report (5th Lok Sabha) and Second Report (6th Lok Sabha) presented to the House on 08 March 1976; 12 May 1976 and 22 December 1977 respectively, the Annual Report and Audited Accounts of the Organization/Company are required to be laid on the Table of the House within nine months of the closure of Accounting Year.

3. The Committee considered the matter of delays in laying of the Annual Reports and Audited Accounts of the U.P. Projects Corporation Limited (Company) and took oral evidence of the representatives of the Ministry of Water Resources, River and Ganga Rejuvenation at their sitting held on 07 June, 2017.

4. The Committee considered and adopted this Report at their sitting held on 06 August, 2018.

5. The Committee wish to express their thanks to the officers of the Ministry of Water Resources, River and Ganga Rejuvenation for furnishing the written replies, other material/information and for placing their views in the matter before the Committee.

6. The Observations / Recommendations of the Committee have been printed in bold letters at the end of the Report.

**New Delhi**  
**06<sup>th</sup> August 2018**  
**15 Shravana, 1940(Saka)**

**Chandrakant B. Khaire**  
**Chairperson**  
**Committee on Papers Laid on the Table**

## **REPORT**

### **Delay in laying of the Annual Reports and Audited Accounts of the U.P. Projects Corporation Limited Lucknow.**

U.P. Projects Corporation Limited (Company), initially established as Uttar Pradesh Nalkoop Nigam Limited in May 1976 and subsequently rechristened as U.P. Projects Corporation Limited in April 2001, is a wholly owned Government Company incorporated under the Companies Act, 1956. The administrative control of the Company is with the Irrigation Development (ID), Government of Uttar Pradesh (GoUP). The Company was declared (July 1999 and June 2006) by GoUP as a Government executing agency/ construction agency for construction and reconstruction of shallow and deep tube wells, construction of hydrological structures and works related to irrigation and drainage and for construction of buildings. The Government of India contributed Rs 100 lacks in the year 1976-77 in the shape of Share Capital, which constitutes 17% of the Government investment to all paid up capitals.

2. In term of recommendations of the Committee on Papers Laid on the Table contained in Paras 1.16 and 3.5 of its First Report (5<sup>th</sup> Lok Sabha), Paras 4.16 and 4.18 of Second Reports of 5th Lok Sabha and Paras 1.12 and 3.6 to 3.8 of Second Report of 6th Lok Sabha presented to the House on 08.03.1976, 12.05.1976 and 22.12.1977 respectively, the Annual Report and Audited Accounts together alongwith Review Statement of the Institutes/Organisations (Statutory/Autonomous Organisation, Public Undertakings, Corporations, Joint ventures, Societies etc.) are required to be laid within 09 months of the close of the respective Accounting Year. To comply with this requirement proper time schedule should be laid down for compilation of Annual Report and Accounts and their auditing. The Committee felt that normally a period of 3 months would be sufficient for compilation of accounts and their submission to audit; the next 6 months might be given for auditing of accounts; printing of the Report and sending it to Government for laying. If for any reason, the Annual Reports and Audited Accounts of

the Institutes could not be laid within the prescribed period of 9 months, the Ministry concerned should lay a Statement within 30 days of the expiry of the said period or as soon as the House meets whichever is later, explaining the reasons as to why the documents could not be laid in time.

3. The Committee note that the Annual Reports and Audited Accounts of the Corporation for the years 2011-12; 2012-13 and 2013-14 were laid on the Table of the House on 10.12.2015, 01.12.2016 and 03.08.2017 respectively with delays ranging from 31 months to 35 months. The Annual Reports and Audited Accounts of the Corporation for the year 2014-15 to 2016-17 have not yet been laid before on the Table of the House. The details have been given at **Annexure-I**.

4. As per Section 619 (1a) and 619A(2) of The Companies Act 1956, the Annual Reports and Audited Accounts of the Government Companies are required to be placed before both the Houses of Parliament and State Legislature within three months from the date adoption of Annual Report by the Annual General Meeting of the Corporation.

5. The chronological sequence in respect of finalization of Annual Reports and Audited Accounts of the Corporation for the years 2011-2012 and 2012-2013 as submitted by the Corporation are given at Annexure-II, which reveals that these documents were laid on the Table on the Table of Lok Sabha on 10.12.15 and 1.12.16 with delays of more than 14 months and 16 months respectively of their adoption/ approval of the Competent Authority. Thus, the Corporation and the Ministry failed to comply with the statutory requirement of laying these documents as stipulated in the Company's Act.

6. As regard delay in laying the Annual Reports and Audited Accounts of the Corporation, the Ministry in their written note dated 20.04.2017 submitted as under:-

*"2011-12- Laid before both the Houses of State Legislature on 26.8.15. Laid in Rajya Sabha on 14.12.2015 and Lok Sabha on 10.12.2015.*

*2012-13- Laid before both the House of State Legislature on 29.08.2016. Laid in Rajya Sabha on 28.11.16 and Lok Sabha on 01.12.2016.*

*2013-14- Printing is in progress.*

*2014-15- Statutory audit completed and the annual accounts will be placed in the next board meeting for approval. After the adoption by board, the statutory auditors will certify the accounts and it will be submitted to AG for supplementary audit.*

*2015-16- The annual accounts of the Corporation are ready and under Statutory Audit.*

*The accounts are prepared within the time but the time taken by the statutory auditors and AG for supplementary audit results in delay in laying of the Annual Reports before the Parliament. Further the Hindi translation and Printing of Annual report also takes considerable time."*

7. On scrutiny of Statement showing the chronological sequence in respect of finalisation of Annual Reports and Audited Accounts of the Corporation for the years 2011-12 and 2012-13, it appears that the Corporation took 10 months and 6 months in the process of compilation of Audit Accounts of the Corporation for the years 2011-12 and 2012-13 respectively.

8. As regard to identification of the stages at which the delays have occurred during all these years, the Ministry in written reply stated that-

*"The main reason for delay in laying of the Annual Report is the time taken by Auditors and in translation and printing ."*

9. On being questioned by the Committee as to how the issue of auditing of Accounts and finally timely receipt of the Final Audit Report from the Audit Authorities was dealt by the Ministry/Corporation, the Ministry in their written reply stated as under:-

*"Efforts were made at Corporation level to expedite the audit."*

10. On a query as to whether the Ministry/Corporation had faced procedural difficulties associated with convening the meeting of Competent Authority for getting

approval and documents of Corporation, the Ministry in their written reply stated as under:-

*"The Chairman of the Corporation is Principal Secretary, Irrigation Department, Government of Uttar Pradesh. The meetings are convened according to the availability of the Chairman and Other Government nominees in the Board."*

11. With regard to the procedure for translation of documents in Hindi Version in the Corporation, the Ministry in their written replies stated as under:-

*" Translation is a tedious process. The Corporation is planning for outsourcing the translation work to the outside agency."*

12. It has also been informed by the Ministry/Corporation that the process of compilation of accounts have been computerized."

13. However, to avoid delay at the stage of Printing of Annual Reports and Audited Accounts of the Corporation, no specific reply has been given the Ministry/Corporation.

14. In regard to having the internal auditing mechanism to ensure timely compilation of accounts and also to minimize the audit queries, the Ministry in their written note have stated as under:-

*"The work of internal audit system has been entrusted to the firms of Chartered Accountants. The accounts are compiled timely. The audit queries are replied during the course of audit itself "*

15. When asked to state whether the Ministry have laid down any time schedule giving target dates for completion of work at each stage regarding finalisation of Annual Accounts and Report, the Ministry in their written reply have stated as under :-

*"The Corporation is making every effort for early completion of accounts along with annual reports. Action plan has been prepared and details are as under:*

**For the year 2014-15**

a) Receipt of Statutory Audit Report- 31st May, 2017.

b) Submission to AG for supplementary Audit - By 2nd June, 2017.

c) Expected date for receipt of AG Comments- 31st August, 2017.



d) AGM- By 30th Sept. 2017.

e) Hindi Translation & Printing and submission to Ministry 31st December 2017.

**For the year 2015-16**

a) Receipt of Statutory Audit Report- 31st May, 2017.

b) Submission to AG for supplementary Audit - By 2nd Sept, 2017.

c) Expected date for receipt of AG Comments- 15th December, 2017.

d) AGM- By 15th, 2018.

e) Hindi Translation & Printing and submission to Ministry 30th April, 2018."

16. When the Committee desired to know about the mechanism in place in the Ministry to monitor the progress of work and the remedial measures taken to ensure timely laying of the documents of the Corporation, the Ministry in its written reply stated as under :-

*"The progress of Annual Report submission is regularly monitored by the Ministry. However, there is little which can be done by the Ministry in ensuring timely submission of Annual return of State Corporation."*

17. As regards the query of the Committee about the remedial measure taken to ensure timely laying of the documents in the House, within the prescribed period of nine months from the closure of Accounting year, the Ministry in written reply stated as under :-

*"Efforts are being made to get the accounts audited timely and also for receipts of C&AG comments. Efforts are being made for filling the vacant posts in Accounts Department and outsourcing some works pertaining to accounts."*

18. The Committee took evidence of the representatives of the Ministry of Water Resources, River and Ganga Rejuvenation and the Corporation on this issue on 07th June, 2017.

19. The secretary during evidence submitted that-

*" I would like to convey regret regarding the delay in resolving the four and five issues that you have raised and such delay should not take place for any reason at all. We have received it. The report for year 2013-14 is with the printer. It should reach you before the monsoon session. The work on 2014-15 C&AG audit report would be completed within this year. The statutory audit for the year 2015-16 which is being done by Chartered Accountant is going on and later on it would be followed by C&AG audit. We have told them that for 2016-17 the account should be ready by 31<sup>st</sup> of July. Our intent is that all the reports upto March 2017 should reach you by the end of this year. This is our plan. We have planned and aimed to send you by the end of this year before the Winter session.*

*Secondly, as far translation and outsourcing are concerned, these do not seem reasons to me. These should be planned in advance. Auditor should have been appointed first, then this work should be taken up simultaneously. As your report gets ready, audit should begin and reach you. Shailendra Sahab has done a good job. I hope that all the reports of 2017 will be prepared within this year."*

**Observations/Recommendations**

**20. The Committee note that the Section 619 (1a) and 619A(2) of the Companies Act 1956, stipulates that the Annual Reports and Audited Accounts of the Government Companies are required to be placed before both the Houses of Parliament and State Legislature within three months from the date adoption of Annual Report by the Annual General Meeting of the Corporation. The Committee have also emphasized in the past that the Annual Reports and Audited Accounts of the Autonomous Organisation, Public Sectors and Joint Venture are required to be laid on the Table of the House within nine months after the closure of respective Accounting year. However, the Committee are disappointed to note that the Ministry of Water Resource, River and Ganga Rejuvenation and U.P. Project Corporation Ltd, Lucknow have neither fulfilled the statutory requirement nor Committee's recommendation regarding laying of the Annual Reports and Audited Accounts of the Corporation. As per the Companies Act, the Annual Reports and Audited Accounts of the Corporation for the years 2011-12 and 2012-13 should have been laid by 24.12.14 and 29.1.2015 respectively. However these documents were laid on the Table of the House on 10.12.15 and 1.12.16 with delay of more than 14 months and 16 months respectively. As per Committee's recommendation, the documents of the Corporation for the years 2011-12 and 2012-13, which are required to be laid on the Table of the House within nine months after closure of the respective Accounting year, have actually been laid on the Table of the House with delays of 35 months.**

21. While examining the reasons for delays of 35 months in laying of the documents of the Corporation for the years 2011-12 and 2012-2013 , the Committee note that undue delay has occurred at all the stages right from Compilation of Annual Accounts to laying them on the Table of the House. The Corporation took 10 and 06 months respectively at the stage of compilation of Annual Accounts for the aforesaid years as against 03 months prescribed by the Committee in this regard. The Corporation took 12 and 16 months for the years 2011-2012 and 2012-2013 respectively, in completing the process of Accounts Further, the Corporation took more than 05 months for finalisation of Annual Report for the year 2011-2012 after receipt of Final Audit Report. The Corporation also took 11 and 10 months for the years 2011-2012 and 2012-2013 respectively, in getting the documents translated in Hindi Version, Printing thereof and sending them to the Ministry for laying them on the Table of the House. The Secretary of the Ministry of Water Resources River and Ganga Rejuvenation, himself stated during evidence that getting the documents translated in Hindi and Printing thereof are within the control of the Corporation and can be sorted out by taking advance action in this regard.

22. What is further disquieting for the Committee to note is that the assurance given by the Secretary to the Ministry that the Annual Reports and Audited Accounts of the Corporation for the years 2014-15 to 2016-17 would be laid on the Table of the House by the Winter Session 2017 has not been fulfilled. These Reports have not been laid on the Table of the House as yet.

**23. The chronology of events has brought into sharp focus the failure of the Ministry to put in place a system and monitoring mechanism to ensure laying of document of Corporation on the Table of both the Houses of Parliament within the stipulated time. The Ministry must make all out efforts to ensure that the documents of the Corporation pertaining to the period from 2014-2015 to 2016-2017 are laid without any further delay. The Committee shall be informed of the compliance of these directions as also measures taken by the Ministry to avoid delays in future.**

**24. The Committee also impress upon the Ministry that if for any reasons, the Annual Reports and Audited Accounts of the UPPCL could not be laid on the Table of the House within the stipulated time; a statement explaining the reasons as to why the requisite documents could not be laid within prescribed period should be laid on the Table of the House strictly within 30 days as recommended by the Committee in its earlier Report.**

**New Delhi  
06<sup>th</sup> August 2018  
15 Shravana, 1940(Saka)**

**Chandrakant B. Khaire  
Chairperson  
Committee on Papers Laid on the Table**

**Statement showing the dates of laying of the Annual Reports and  
Audited Accounts of the UPPCL.**

Year	Date by which required to be laid	Date of laying of Annual Reports and Audited Accounts	Extent of delay
2011-2012	31.12.2012	10.12.2015	35 months
2012-2013	31.12.2013	01.12.2016	35 months
2013-2014	31.12.2014	03.08.2017	31 months
2014-2015	31.12.2015	Not Laid	-
2015-2016	31.12.2016	Not Laid	-
2016-2017	31.12.2017	Not Laid	-

**Annexure-II**

**vide para 05 of the Report**

**The chronological sequence in respect of finalization of Annual Reports and Audited Accounts of the UPPCL for the year 2011-12 to 2012-13.**

<b>S No</b>		<b>2011-12</b>	<b>2012-13</b>
A)	The date on which Corporation approached the auditing authorities to appoint the auditors for auditing the Accounts and date of their appointment.  Time taken in Appointment after closure of F/Y	Appointment was made by C&AG Suo moto	Appointment was made by C&AG Suo moto
B)	The date of compilation of Annual Accounts of the Corporation  Time taken after closure of F/Y	January 2013  10 months	25.09.2013  6 months
C)	The date on which the annual accounts of the Company were submitted to Auditors for auditing  Time taken after compilation of Accounts	15.02.2013  15 days	10.10.2013  15 days
D)	The date and duration for auditing the annual accounts of the company by auditors;	Accounts were certified by auditors on 26.02.2014 (approx. 12 months)	Accounts were certified by auditors on 02.03.2015 (approx. 16 months)
E)	The date of queries raised by auditor during auditing the annual accounts	Audit queries were replied during the course of audit	Audit queries were replied during the course of audit
F)	The date on which the replies to the audit queries was finished to the Auditors;	As above	As above
G)	The date on which draft Audit Report was issued by Audit Authorities;  Time taken after auditing of Annual Accounts	No draft report was issued by the auditors	No draft report was issued by the auditors
H)	The date on which the final Audit Report received by Corporation  The Time taken after issued of Draft Report	26.02.2014  -	02.03.2015  -

D)	The date of finalization of Annual Report  Time taken after receipt of final Audit Report	02.08.2014  5 months and 4 days	18.03.2015  16 days
J)	The date on which documents were got approved from the Competent Authority  Time taken after finalization of Annual Report	24.09.2014  26 days	29.07.2015  4 months and 11 days
K)	The date on which documents were taken up for translation & printing and  The time taken for completing the task	25.09.2014  1 day	14.08.2015  16 days
L)	The date on which documents were sent to the Ministry for being laid in the House;  Time taken after documents sent to Translation and Printing	28.08.2015  -10.12.2015 -11 months	09.06.2015  - 01.12.2016 - 10 months
M)	The date of laying of the documents on the Table on the House.  Time taken by the Ministry after receipt of the Annual Report and Audited Account	Sent to Ministry vide letter no 2043 dated 19.08.2015  3 months and 13 days	Sent to CADWM vide letter no 2043 dated 09.06.2016  6 months



**THE EXTRACTS OF THE MINUTES OF SITTING OF  
THE COMMITTEE ON PAPERS LAID ON THE TABLE HELD ON 07 JUNE, 2018**

The Committee sat on Friday, 07 June, 2017 from 11:30 hrs to 13:20 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

**PRESENT**

Shri Chandrakant Khaire - **Chairperson**

**MEMBERS**

2. Shri Laxman Giluwa
3. Shri Bheemrao B. Patil
4. Shri Bishnu Pada Ray
5. Shri Virendra Singh
6. Shri P.R. Sundaram
7. Shri Manohar Untwal

**SECRETARIAT**

1. Dr. Preeti Srivastava - Joint Secretary
2. Smt. Rita Jaikhani - Director

**REPRESENTATIVES OF THE MINISTRY OF WATER RESOURCES**

1. Dr. Amarjit Singh Secretary
2. Shri Jagmohan Gupta JS & FA
3. Dr. B.R.K. Pillai Commissioner
4. Shri Ravi Sinha Director

**REPRESENTATIVES OF THE UP PROJECT CORPORATION LTD., LUCKNOW**

1. Shri Shailendra MD
2. Shri Gaurav Pant FA CAO

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2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee.

3. The Committee then called the representatives of the Ministry of Water Resources, River Development and Ganga Rejuvenation and the U.P. Projects Corporation Ltd. Lucknow.

3. The Chairperson welcomed the representatives of the Ministry and the Corporation to the sitting of the Committee and explained the purpose of convening the meeting. The Chairperson also explained to the witnesses the provisions of Direction 58 of Directions issued by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

4. On being asked by the Committee the reason for delay in laying of the Annual Report and Audited Accounts of the Corporation for the years 2011-2012 to 2015-2016, the Secretary of the Ministry regretted for delay in laying of the documents of the Corporation. The representative of the Corporation submitted before the Committee details of staff strength of the Corporation. The Secretary of the Ministry apprised the Committee that the Annual Reports and Audited Account of the Corporation for the years 2013-2014 which were under printing would be submitted during Monsoon Session, the Annual Accounts of the Corporation for the year 2014-2015 would be audited within this year and for the year 2015-2016 were at the stage of internal auditing and after that it would be audited by C&AG. It was stated by the Secretary of the Ministry that they had instructed the Corporation that the finalisation of Annual Accounts of the Corporation for the year 2016-2017 would be completed by

31 July, 2017. He further submitted that they had planned to lay all the pending Reports on the Table of the House by Winter Session, 2017.

6. Thereafter, the Chairperson thanked the representatives of the Ministry and the Corporation for the useful discussion and responding to the queries raised by the Members - in connection with examination of the subject and hoped that utmost care would be taken to ensure that there would not be any delay in laying of the reports on the Table of the House.

The witnesses then withdrew.

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**The Committee then adjourned.**

**MINUTES OF THE TENTH SITTING OF THE  
COMMITTEE ON PAPERS LAID ON THE TABLE**

The Committee sat on Monday, 06 August, 2018 from 15:00 hrs to 16:00 hrs. in Committee Room 139, Parliament House Annexe, New Delhi.

**PRESENT**

Shri Chandrakant Khaire - **Chairperson**

**MEMBERS**

2. Smt. Veena Devi
3. Shri P.C. Gaddigoudar
4. Shri Bheemrao B. Patil
5. Shri P.R. Sundaram

**SECRETARIAT**

1. Dr. Preeti Srivastava - Joint Secretary
2. Smt. Maya Lingi - Additional Director
3. Shri Munish KumarRewari - Deputy Secretary

2. At the outset, Chairperson welcomed the Members to the sitting of the Committee.
3. Thereafter, the Committee took up for consideration the following three Draft Reports for consideration :-
  - (i) Draft Twenty Second Report regarding delay in laying of the Annual Reports and Audited Accounts of the UP Project Corporation Ltd. Lucknow;
  - (ii) Draft Twenty Third Report regarding delay in laying of the Annual Reports and Audited Accounts of the Nehru Yuva Kendras, New Delhi; and
  - (iii) Draft Twenty Fourth Report regarding delay in laying of the Annual Reports and Audited Accounts of the National Institute of Solar Energy.
4. After deliberations, the Committee adopted the Reports without modifications.
5. The Committee authorized the Hon'ble Chairperson to present the same to the Parliament during ongoing Session.

Then the Committee adjourned.