

It is not correct. We are short of free duty alcohol. For industrial purposes import of alcohol is cheaper than our manufactured alcohol.

**SHRI V. SOBHANADREESWARA RAO :** In view of the fact that the statutory minimum price fixed by the Union Government is not communicated to the growers, the factories are given state administered prices which are resulting in loss several times. Will the Government now consider to increase the prices of molasses to enable the factories to pay high prices to the cane growers and not to yield to the pressure of the distillery owners ?

**SHRI J. VENGAL RAO :** I have noted the views of the Hon. Member. That is under the consideration of the Government.

*(Interruptions)*

The State Government is not. They are getting a lot of income from liquor.

*(Interruptions)*

*[Translation]*

**MR. SPEAKER :** After all, you have played the trick.

*[English]*

**Delay in submission of accounts by public sector companies**

\*408. **SHRI KAMAL NATH :** Will the Minister of INDUSTRY be pleased to state :

(a) whether a number of public sector companies have not been preparing their annual final accounts in time for submission to audit which in turn results in delay in the submission of audited accounts to Government and Parliament as per statutory requirement;

(b) whether in some cases submission of accounts is being delayed for two years or even more;

(c) if so, which are those defaulting public undertakings; and

(d) The corrective action taken in this regard ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF PUBLIC ENTERPRISES IN THE MINISTRY OF INDUSTRY (SHRI K. K. TEWARY) :** (a) to (d). A statement is given below.

**Statement**

(a) to (c). Based on the information available, out of 217 Central Public Enterprises, 213 Enterprises have held their Annual General Meetings for 1984-85 so far. Information whether their accounts were passed in each of these cases is being collected.

(d) The public Enterprises have been advised by their Administrative Ministries/Departments as well as by the Bureau of Public Enterprises to keep appropriate time schedules so that the accounts are finalised, audited, adopted in the Annual General Meeting and placed before the Parliament within the prescribed time limits. The Bureau of Public Enterprises have also advised Administrative Ministries/Departments to ensure that there is no delay in finalisation of accounts of the enterprises under their administrative control and the placement of annual reports before Parliament.

**SHRI S. JAIPAL REDDY :** The statement laid on the Table of the House is not so long as not to be read. Why Mr. K. K. Tewary is so weak as not to read a statement.

*[Translation]*

**MR. SPEAKER :** Now he has stopped doing physical exercise.

*[English]*

**SHRI S. JAIPAL REDDY :** The answer is shorter than the question.

**SHRI SOMNATH CHATTERJEE :** He should be allowed to answer only during the Zero Hour. Then we can see his activity.

*[Translation]*

**MR. SPEAKER :** That is why I had said that he had stopped doing physical exercise.

[English]

**SHRI KAMAL NATH :** Sir, the point made by my colleague is very valid because the answer is not strictly on the lines of procedure and I am sure Mr. Tewary understands this as he is an experienced parliamentarian and has been mere at the giving end rather than at the receiving end.

[Translation]

**MR. SPEAKER :** Shri Kamal Nath is taking advantage of that experience.

[English]

**SHRI KAMAL NATH :** Sir, my question, I think, was very specific and has been framed very clearly, where I have asked the number and names of Government companies which have defaulted. The Minister in his reply has stated that out of 217 Central public sector enterprises, 213 have held their Annual General Meetings. I had specifically wanted to know which ones they are. About the number I had a vague idea myself. My question is, which ones they are and whether they have passed their accounts. Merely holding an Annual General Body Meeting does not necessarily signify that the accounts were either presented or if they were presented, were passed.

**SHRI SOMNATH CHATTERJEE :** Ordinarily.

**SHRI KAMAL NATH :** So, ordinarily that should be, but it does not necessarily mean that. So he says, it is being collected. I presume that it will be collected. I would appreciate if he can let us know when and which are the public sector companies which have not even held their Annual General Meeting at all and what is the reason for the delay and by which time does he hope to collect the answer to my question.

**PROF. K. K. TEWARY :** Mr. Speaker, Sir, my colleague, Mr. Kamal Nath, is a very knowledgeable man.

**SHRI KAMAL NATH :** I want an answer to my question, not a certificate.

**MR. SPEAKER :** Now he knows that you need no more answer.

**SHRI S. JAIPAL REDDY :** Sir, Mr. Kamal Nath definitely knows it. He himself is an industrialist. He may be appointed on a public corporation. That is their policy now.

**MR. SPEAKER :** Is it? You know better than that also now.

**PROF. MADHU DANDAVATE :** Mr. Kamal Nath thinks that it is a defamatory remark against him, Sir.

**MR. SPEAKER :** Will somebody bring a privilege motion!

**SHRI KAMAL NATH :** They have also challenged it.

[Translation]

**SHRI BALKAVI BAIRAGI :** Kamal replying to Kamal will not do. How far will this dialogue between Kamal and Kamal go on?

**MR. SPEAKER :** Add one more 'a' to it and it will become 'Kamaal'.

[English]

**PROF. K. K. TEWARY :** Sir, I was merely acknowledging the erudition and knowledge of my colleague about the management of company affairs and accounts of companies. So, naturally he has more expertise in the matter. But so far as the main question is concerned, in the reply we have categorically stated that out of 217 companies' 142 held their AGM up to 30th September, 1985.

**SHRI KAMAL NATH :** No, Sir. It says, out of 217 companies, 213 have held.

**PROF. K. K. TEWARY :** I am clarifying it. Out of 217, 142 held their AGM up to 30th September, 1985. Out of 75 enterprises, 71 held their AGM between September 1985 till date. Whether in the AGM audited accounts were also presented, on that issue, Sir, we have assured the Member because these companies are spread over in a number of administrative Ministries. We collect information about them and we are in the process of collecting information about the defaulting companies and as soon as

information is available, it will be placed on the Table of the House.

**SHRI KAMAL NATH :** Sir, on the question of Government companies, public sector companies, Section 619(B) of the Companies Act states that the Government company is a company where 51 per cent or more shares are held in aggregate by the Central or State Government or Government companies or Central or State corporations or combination thereof. Now a company where 51 per cent or more shares are held by the State Government or Central Government or the corporations thereof, in aggregate, that itself, should be deemed to be a Government company and, therefore, the Government must closely monitor the accounts and the submission of those companies' accounts. It is necessary because the Government has 51 per cent or more of shares in those companies but they are not accountable either to the Government or Parliament. So, in those companies where 51 per cent or more shares are held by the Central Government or the State Government or their corporations thereof, they must be made accountable to the Government and consequently thereafter to Parliament.

Is the Government considering such a thing, or is the Government willing to look at such a thing so that these companies are accountable to Parliament and to the Government ?

**PROF. K. K. TEWARY :** There are a number of companies in private sector where Public Funds are around 51 per cent or more. Public funds are used because these companies in private sector have been resorting to borrowings from public funding system. Their pattern of auditing of course, is different from the one available or applicable to Government companies. That is, their accounts are not audited by the Comptroller and Auditor General (CAG). This aspect has been brought to the notice of the House and the Government will look into this aspect.

**SHRI SOMNATH CHATTERJEE :** Sir, we are all one that the public sector enterprises should function very efficiently and there are various methods adopted to somehow bring the public sector under some sort

of compliance. This point, is made namely accounts are not made up-to-date so that public is made a sort of aware that this is not functioning efficiently. In many cases, the companies' accounts are ready but the C and AG takes time and even appointment of auditor takes time which unnecessarily delays the process of auditing the accounts and finalisation of the accounts. Has the Minister got any such report of delay in sending the auditors from the C and A. G. panel for auditing and if he has, will he takes necessary steps so that auditing is done as soon as intimation is sent to the auditor ?

**PROF. K. K. TEWARY :** This delay takes place because of various reasons and about the one which Mr Chatterjee has pointed out, I agree with him, namely delays have been caused because auditors have not been appointed or audit might get delayed also at C and A. G stage. We have got some reports, and delay also takes place because many companies, multi-unit companies are spread over and many companies have their offices in foreign countries. So, it takes sometime, and in some cases, submissions of the accounts get delayed. But I can assure the Members that we are looking into all these aspects and also the delay that has been caused. The public enterprises survey for 1984-85 has been submitted to the House and the survey for 1985-86 will be presented to Parliament, in course of time, i.e. in 1987. That is not delayed. And any delay anywhere is being looked into and we will definitely take steps to correct it.

**SHRI S. JAIPAL REDDY :** I must thank Mr. Kamal Nath for raising this very relevant question and it is a question of radical importance.

**SHRI KAMAL NATH :** I am getting praises from everywhere.

**SHRI S. JAIPAL REDDY :** He has referred to a number of big private sector units in which the Government has taken shares of more than 51 per cent, or even up to 70 per cent or 80 per cent also. Take for example TISCO. I understand Tatas have only 3 per cent shares in TISCO. Why should a different procedure be made applicable to TISCO and other such companies from the public sector companies at least in

respect of accounting? This question has been raised many times. The Hon. Minister has merely acknowledged the question and never cared to answer it.

**PROF. K. K. TEWARY :** I had replied to the question. I did not try to evade it and my Hon. colleague Mr. Jaipal Reddy knows that normally I would not like to evade questions.

**SHRI SOMNATH CHATTERJEE :**  
Normally !

**MR. SPEAKER :** Otherwise, it leads to abnormal use.

*(Interruptions)*

**MR. SPEAKER :** I shall have to a judge which is normal and which is abnormal !

**PROF. K. K. TEWARY :** There has been no attempt on my part to evade replying to the question. Any Member should have brought this to the notice of the House. somehow, this was not brought to the notice of the House. But, there is a different mechanism for monitoring the accounts of the company. It is not that accounts are not monitored. It is not that Government is not aware of what is happening in these companies because there also on the Board we have our representatives. *(Interruptions)*. If the Hon. Member wants the same mechanism of accounting and auditing to be made applicable in the case of private companies also, since Government funds are involved, the Government will definitely have a look at it.

**SHRI KAMAL NATH :** Let the Hon. Minister assure the House that he will come up with a policy statement after a specific time.

*(Interruptions)*

**SHRI Y. S. MAHAJAN :** All the public Enterprises are registered under the Companies Act or under different laws passed by the legislature. All these statutes and the Companies Act lay down that audited accounts should be placed before the annual general meeting within six months of the end of the financial year. It means, there are breaches of the law and secondly when audited accounts are not placed before the

annual general meeting, still there is the report of the Bureau of Public Undertakings, giving upshoot of the whole financial affairs that so many hundreds of crores of rupees losses are incurred. How are these profits and losses calculated when the audited statements are not there with the Government ?

**SHRI KAMAL NATH :** Do they consult the auditor or the astrologer ?

*(Interruptions)*

**PROF. K. K. TEWARY :** Public sector never consults astrologers. It depends on the advice of experts and on the audited accounts.

**SHRI S. JAIPAL REDDY :** Ministers dealing with Public Sector Companies can consult.

*[Translation]*

**MR. SPEAKER :** Those who aspire to become Ministers consult astrologers more.

*(Interruptions)*

*[English]*

**PROF. K. K. TEWARY :** As I said in the beginning, duly audited accounts are presented to AGM of the Company and it has to be done within six months of the closing of the accounting year. So, in many cases, accounts were not available. That is why, I said that the information is being collected and for 1985-86, we are making public enterprise survey and we are collecting information and there will be no delay and duly audited accounts will be made available to Parliament, as soon as they are made available.

*(Interruptions)*

**SHRI E. AYYAPU REDDY :** Sir, the investment of the Union Government and the State Governments in companies which are in the Private Sector is more than Rs. 1000 crores. Now, there has been no accountability on the part of these private companies which are actually running on public funds. Will the Government take steps to see that there is annual accountability rendered by all these private sector companies to Parliament, if it is agreed to have the

companies brought under the jurisdiction of the Public Accounts Committee of Parliament?

**MR. SPEAKER :** Why don't you ask for it?

**AN HON. MEMBER :** It is a very relevant question.

**PROF. K. K. TEWARY :** I have already answered this supplementary. The Government is looking into all these aspects. The mechanism available as of now is that the public funding institutions have their representatives. We are looking into all the relevant aspects.

**Setting up of quality testing laboratory  
in Andhra Pradesh**

\*409. **DR. T. KALPANA DEVI :** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether there is any proposal for setting up a quality testing laboratory of the Indian Standards Institution in Andhra Pradesh;

(b) if so, when; and

(c) if not, the reasons therefor?

**THE MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI GHULAM NABI AZAD) :** (a) to (c). In view of resources constraint there is no proposal for setting up a quality testing laboratory by the Indian Standards Institution (ISI) in Andhra Pradesh during the Seventh Five Year Plan. The long term plan for the laboratory set up of ISI is under formulation and the need for setting up a quality testing laboratory in Andhra Pradesh by ISI will be looked into while finalising this plan.

**DR. T. KALPANA DEVI :** The very answer given by the Hon. Minister is very unsatisfactory. How can we expect quality when there are no facilities available for quality testing and control? How can we prevent adulteration and substandard quality products? On a priority basis, the Government of India must establish quality testing laboratories in all the States. Our Prime

Minister has announced November, 1986 as the Quality Improvement Month. By simply observing this month, by celebrating some functions, are we going to achieve anything without proper infrastructure for quality control and testing? To improve our living standards and to sustain the competition in the international markets, we need quality, purity and sincerity...

**DR. V. VENKATESH :** She is coming to the point...

**MR. SPEAKER :** They are all suggestions...

**DR. T. KALPANA DEVI :** I would like to know from the Hon. Minister as to how many quality control laboratories are there in our country; the number of industries utilising them and what is the ratio of their utilisation; whether these laboratories are able to dispense things in time and if not what are the steps proposed by the Government in this regard.

[Translation]

**MR. SPEAKER :** You have a long list.

[English]

**DR. T. KALPANA DEVI :** I don't get the chance...

[Translation]

**MR. SPEAKER :** The moment I looked towards you, the page was turned over.

**SHRI V. TULSIRAM :** Mr. Speaker Sir, you are all the time talking about the development of women, but you have forgotten a lady.

[English]

**MR. SPEAKER :** Dr. Kalpana Devi believes in the law of averages...

**THE MINISTER OF PARLIAMEN-TARY AFFAIRS AND MINISTER OF FOOD AND CIVIL SUPPLIES (SHRI H. K. L. BHAGAT) :** Six laboratories of Indian Standards Institution are in operation. Atleast 200 other laboratories in the country which are recognised by the ISI are used for testing of standards, samples etc. I fully agree with the Hon. Member that it is