

COMMITTEE ON PAPERS LAID ON THE TABLE

(2022-2023)

SEVENTEENTH LOK SABHA

102

ONE HUNDRED AND SECOND REPORT

[Delay in laying the Annual Reports and Audited Accounts of the Pension Fund Regulatory and Development Authority (PFRDA), New Delhi under the administrative control of the Ministry of Finance (Department of Financial Services)]

(Presented on 14.03.2023)



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2023/ Phalguna, 1944 (Saka)

CONTENTS

Page No.

COMPOSITION OF THE COMMITTEE ON PAPERS LAID ON THE TABLE (2022-2023)		(iii)
INTRODUCTION		(v)
REPORT		
Delay in laying the Annual Reports and Audited Accounts of the Pension Fund Regulatory and Development Authority (PFRDA), New Delhi under the administrative control of the Ministry of Finance (Department of Financial Services).		1
APPENDICES		
<i>Appendix-I</i>	Statement showing the dates of laying of the Annual Reports and Audited Accounts of the Pension Fund Regulatory and Development Authority (PFRDA), New Delhi for 2015-2016 to 2020-2021.	13
<i>Appendix-II</i>	The chronological sequence in respect of finalization of Annual Reports and Audited Accounts of the Pension Fund Regulatory and Development Authority (PFRDA), New Delhi for 2015-2016 to 2019-2020.	14
<i>Appendix-III</i>	The Extracts of the Minutes of the seventh sitting of the Committee on Papers Laid on the Table (2021-22) held on 21.3.2022.	17
<i>Appendix-IV</i>	The Extracts of the Minutes of the second sitting of the Committee on Papers Laid on the Table (2022-23) held on 07.02.2023.	19

COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE

LOK SABHA (2022-2023)

Shri Girish Chandra

-

Chairperson

MEMBERS

2. Shri Shafiqur Rahman Barq
3. Dr. A. Chellakumar
4. Shri Pallab Lochan Das
5. Shri Choudhury Mohan Jatua
6. Choudhary Mehboob Ali Kaiser
7. Dr. Amol Ramsing Kolhe
8. Shri Bharat Ram Margani
9. Shri Jamyang Tsering Namgyal
10. Smt. Aparupa Poddar
11. Shri T.N. Prathapan
12. Shri Sellaperumal Ramalingam
13. Shri Saptagiri Sankar Ulaka
14. Shri Devendrappa Y.
15. Shri Ashok Kumar Yadav

SECRETARIAT

1. Shri Vinay Kumar Mohan - Joint Secretary
2. Shri Naval K. Verma - Director
3. Shri Uttam Chand Bharadwaj - Additional Director

INTRODUCTION

I, the Chairperson of the Committee on Papers Laid on the Table (2022-23), having been authorized by the Committee to present the Report on their behalf, present this One-hundred and second Report in respect of the delays in laying the Annual Reports and Audited Accounts of the Pension Fund Regulatory and Development Authority (PFRDA), New Delhi under the administrative control of the Ministry of Finance (Department of Financial Services).

2. In terms of the recommendations of the First Report (5th Lok Sabha) of the Committee, presented to the House on 8th March, 1976 and the Second Report (5th Lok Sabha) of the Committee, presented to the House on 12th May, 1976 and the Second Report (6th Lok Sabha) of the Committee on Papers Laid on the Table, presented to the House on 22nd December, 1977, the Annual Report and Audited Accounts of the all Statutory/Autonomous, Institutes, Companies, Public Undertakings, Corporations, Joint Ventures, Societies, etc. are required to be laid on the Table of the House within nine months of the closure of accounting year i.e., by 31 December.

3. The scrutiny by the Committee revealed that the documents of the PFRDA, New Delhi for 2015-2016 to 2020-2021 were presented to Lok Sabha with continuous delays. The Committee considered the matter of delays in laying the Annual Reports and Audited Accounts of the PFRDA, New Delhi and took oral evidence of the representatives of the Ministry of Finance (Department of Financial Services) at their sitting held on 21.03.2022.

4. The Committee considered and adopted the Report at their sitting held on 07.02.2023.

5. The Committee wish to express their thanks to the officers of the PFRDA, New Delhi and the Ministry of Finance (Department of Financial Services) for furnishing the written replies and other material/information for being placed before the Committee.

6. The Committee place on record their appreciation of the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

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

New Delhi
07th February, 2023
Magha 18, 1944 (Saka)

Girish Chandra
Chairperson
Committee on Papers Laid on the Table
Lok Sabha

Committee on Papers Laid on the Table (2022-2023)
Report

Delay in laying the Annual Reports and Audited Accounts of the Pension Fund Regulatory and Development Authority (PFRDA), New Delhi under the administrative control of the Ministry of Finance(MoF), Department of Financial Services (DoFS).

The Government constituted an interim regulator, the interim Pension Fund Regulatory and Development Authority (PFRDA) through a Government Resolution dated 10th October 2003 as a precursor to a statutory regulator. This Resolution was re-issued on 14th November, 2008. The PFRDA Bill, 2011 was introduced in Lok Sabha on the March 24, 2011 to establish PFRDA as a statutory body with well-defined powers to promote old age income security and protect the interests of subscribers by establishing, developing and regulating pension funds. PFRDA became a statutory pension sector regulator after the enactment of the Pension Fund Regulatory and Development Authority Act, 2013 with effect from 1st February, 2014. The PFRDA Act, 2013, *inter-alia*, applies to National Pension System (NPS) which was initially introduced for new recruits joining Central Government services from 1st January 2004 replacing the existing defined benefit pension. NPS has been subsequently adopted by State Governments (except West Bengal). NPS was extended to all citizens of India on a voluntary basis w.e.f. 1st May, 2009 and NPS Corporate Sector Model was introduced in Dec, 2011 for enabling employers to adopt NPS as a retirement benefit for their employees. NPS has an unbundled architecture where different activities such as sourcing and registration of subscribers, collection of the periodic pension subscription, maintenance of the records of individual subscribers, pooling of subscriber's funds, deployment of the funds in financial securities in financial markets, maintenance of records of securities, provision of periodic pension/annuities etc., are entrusted with different entities/intermediaries. These entities are selected on the basis of their expertise and domain knowledge. The management of NPS is highly technology driven; the transmission of information and funds is done in an electronic environment ensuring speed, accuracy and efficiency. Pension Funds that are registered with PFRDA are authorized to manage the pension corpus of the subscribers as per the investment guidelines prescribed by PFRDA in the interest of the subscribers. PFRDA has provided comprehensive and digitally enabled solutions to NPS subscribers for on-boarding, servicing, and exit.

The functions of the PFRDA include–

- (a) regulating the National Pension System and the pension schemes;
- (b) approving the schemes, the terms and conditions thereof and laying down norms for the management of the corpus of the pension funds, including investment guidelines under such schemes;
- (c) registering and regulating intermediaries;
- (d) issuing to an intermediary, on application, a certificate of registration and renewing, modifying, withdrawing, suspending or cancelling such registration;

- (e) protecting the interests of subscribers by— (i) ensuring safety of the contribution of subscribers to various schemes of pension funds to which this Act applies; (ii) ensuring that the intermediation and other operational costs under the National Pension System are economical and reasonable;
- (f) establishing mechanism for redressal of grievances of subscribers to be determined by regulations;
- (g) promoting professional organisations connected with the pension system;
- (h) adjudication of disputes between intermediaries and between intermediaries and subscribers;
- (i) collecting data and requiring the intermediaries to collect such data and undertaking and commissioning studies, research and projects;
- (j) undertaking steps for educating subscribers and the general public on issues relating to pension, retirement savings and related issues and training of intermediaries;
- (k) standardising dissemination of information about performance of pension funds and performance benchmarks;
- (l) regulating the regulated assets;
- (m) levying fees or other charges for carrying out the purposes of PFRDA Act;
- (n) specifying by regulations the form and manner in which books of account shall be maintained and statement of accounts shall be rendered by intermediaries;
- (o) calling for information from, undertaking inspection of, conducting inquiries and investigations including audit of, intermediaries and other entities or organisations connected with pension funds;

2. The Committee asked the Ministry/Department to state the Act, Rule, Regulation under which papers of the PFRDA are being laid on the Table of the House. The Ministry in their written reply have submitted that:-

“Pension Fund Regulatory and Development Authority (PFRDA) Act 2013.”

3. The Committee also asked the Ministry/Department to state the provision and time for laying of Annual Report and Audited Accounts of the PFRDA on the Table of the House. The Ministry in their written reply have submitted that:-

“(i) The provision and time for laying of the ‘Annual Report’ of the PFRDA is stipulated under Section 46 of the PFRDA Act, 2013 and the same is reproduced as under:

Section 46 (2): The Authority shall, within nine months after the close of each financial year, submit to the Central Government a report giving a true and full account of its activities including the activities for promotion and development of schemes of pension funds regulated under this Act during the previous financial year.

Section 46(3): Copies of the reports received under sub-section (2) shall be laid, as soon as may be, after they are received, before each House of Parliament.

- (ii) *The provision and time for laying of the ‘Audited Accounts’ of the PFRDA is stipulated under Section 42 of the PFRDA Act, 2013 and the same is reproduced as under:*

Section 42 (1) The Authority shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the Authority shall be audited by the Comptroller and Auditor General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Authority to the Comptroller and Auditor-General.

(3) The Comptroller and Auditor-General of India and any other person appointed by him in connection with the audit of the accounts of the Authority shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor General generally has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Authority.

(4) The accounts of the Authority as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf, together with the audit-report thereon, shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.”.

4. The Committee enquired from the Ministry/Department about the pattern of funding by the Government to the PFRDA. In reply, the Ministry have submitted that:-

“Government of India releases grants to PFRDA for its establishment and administrative expenses. However, PFRDA has become financially independent w.e.f. FY 2020-21. As a result, all the administrative and establishment expenses of PFRDA are being met from its own receipts. Further, Government of India also releases grants to PFRDA for Atal Pension Yojana and Swavalamban schemes.”

Scheme/FY	2016-17	2017-18	2018-19	2019-20	2020-21
Grant in aid - General	9.00	4.50	0.00	10.00	0.00
Grant in aid - Salaries	9.00	10.50	12.60	13.80	0.00
Swavalamban Scheme co-contribution	0.00	42.95	10.09	0.00	0.00
Swavalamban Scheme - Promotion	0.00	0.09	0.30	0.00	0.00
Atal Pension Yojana co-contribution	0.00	87.72	75.00	168.14	101.00
Atal Pension Yojana Payment of incentive	32.00	75.00	75.00	166.80	169.00
Atal Pension Yojana-Promotional & Developmental Activities	4.00	5.00	5.00	3.75	3.00

(Figures in Crore Rs)

5. In terms of the recommendations of the Committee on Papers Laid on the Table contained in its First and Second Reports of 5th Lok Sabha and also in the Second Report of 6th Lok Sabha presented to the House on 08 March 1976, 12 May 1976 and 22 December 1977 respectively, the Annual Reports and Audited Accounts of the Organisations/Corporations/PSUs are required to be laid on the Table of the House within nine months of the closure of the accounting year. To comply with the requirement proper time schedule should be laid down for compilation of the Annual Report and Annual Accounts and their auditing. The Committee felt that normally a period of three months would be sufficient for compilation of Annual Accounts and their submission for Audit; the next six 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 Report and Audited Accounts of Organisations/Corporations/PSUs could not be laid within the prescribed period of nine months, the Ministry concerned should lay a statement within 30 days of the expiry of the aforesaid period or as soon as the House assembles, whichever is later, explaining the reasons as to why the documents could not be laid.

Further, the Committee on Papers Laid on the Table, in the Second Report of 6th Lok Sabha had recommended that the Government might consider the feasibility of amending, where necessary the relevant Statutes/Rules regulations of such organizations, to make it obligatory on the part of the administrative Ministry concerned to lay the Annual Reports/Audited Accounts of such organizations under their administrative control before Parliament within nine months of the close of accounting year so that the Parliament is apprised of their activities.

6. The Committee on Papers Laid on the Table, Lok Sabha examined the matter of the delay in laying the Annual Reports and Audited Accounts of the Pension Fund Regulatory and Development Authority (PFRDA), New Delhi that were laid before the Parliament (Lok Sabha) by its nodal Ministry i.e., the Ministry of Finance (Department of Financial Services). The examination of these requisite papers has revealed that the requisite documents of the PFRDA, New Delhi for year 2015-2016 were laid before the House on 07.04.2017 with delay of over 03 months. Further, the requisite documents of the subsequent years i.e. 2016-2017 to 2020-2021* were also laid with delays varying between 01 to 06 months. The statement showing the actual dates of laying of the Annual Reports/Audited Accounts of the PFRDA, New Delhi from 2015-2016 onwards, alongwith the extent of delays is placed at **Appendix-I**.

7. The Committee also asked the Ministry/Department to state the reasons for delay in laying of the Annual Reports and Audited Accounts of PFRDA for 2015-2016 to 2018-2019. The Ministry in their written reply have submitted that:-

“The ‘Annual Reports’ of PFRDA from the years 2015-2016 to 2018-2019 were received from PFRDA before completion of nine months of the close of each financial year. After these reports were received, the same were laid before each House of Parliament. In accordance with the time-line stipulated under the PFRDA Act, 2013, there is no delay in laying of the these documents in each House of Parliament.

(ii) The inadvertent delay in laying of Audited Accounts of PFRDA was due to the fact that the audited accounts which were part of the Annual Reports of PFRDA were mistakenly treated as audited by C&AG. However, the same were actually audited by its external auditors (Chartered Accountants). Subsequently, it was found out during FY 2020-21 that the Audited accounts were not laid before both Houses of Parliament. In view of the same, the Audit Reports and Annual Accounts from FY 2013-14 to 2018-19 were laid before both Houses of Parliament together. The delay in this regard is deeply regretted.”

8. The Committee then asked the Ministry, as to whether they agree that the delays in laying the documents indicate that due importance was not given to the timely laying of the Papers before the Parliament and the things were taken in a casual manner. The Ministry in their written reply have submitted that:-

**In addition, the Annual Report and Audited Accounts for 2021-2022 were laid before the Lok Sabha on 19.12.2022, within stipulated time.*

“As indicated in reply under Para 5 (ii) above, the delay in laying of the Audited Accounts of PFRDA that were audited by the C&AG was inadvertent and is deeply regretted and there was no intent to take things in a casual manner.”

9. The Committee asked the Ministry/Department to furnish the information in respect of the finalization of Annual Reports and Audited Accounts of the PFRDA for 2015-2016 to 2018-2019. The information, hence, submitted by the Ministry, in reply, is placed at **Appendix-II**.

10. The Committee also asked the Ministry/Department as to whether they have identified the stages in which delays have occurred during all these years and, if so, how did the Ministry/Department propose to curtail the same. The Ministry have replied that:-

“PFRDA is a young organization which is still growing in size and experience. During the initial years, there were delays in completion of audit and receipt of final SAR from CAG. However, same was identified by the management of PFRDA and corrective actions have been taken. The audited accounts and audit report for FY 2019-20 were finalized well in time to include the same in Annual Report for FY 2019-20 within the stipulated timelines. Further, for FY 2020-21 accounts have been finalized within 3 months of end of FY and audit of the same has also been completed in September. PFRDA has identified the stages in which the delays have occurred in the past and accordingly has taken the required corrective steps to ensure that there will be no delays in finalization of accounts in the coming years. Early finalization of accounts for FY 2019-20 and 2020-21 shows the same.”

11. The Committee desired to know from the Ministry/Department as to whether there had been any delay in appointment of auditors for the purpose of the auditing the Annual Accounts of the organisation during these years. In reply, the Ministry have submitted that:-

“Audit of PFRDA is done by CAG in terms of Section 42(2) of PFRDA, Act 2013.”

12. The Committee asked the Ministry/Department as to how the issue of auditing of the accounts and finally timely receipt of the final Audit Reports from the Audit Authorities was dealt with by the Ministry/Department. In reply, the Ministry have submitted that:-

“This Department takes regular update from PFRDA to ensure that the accounts of PFRDA are timely audited by C&AG and the final Audit Reports thereon is timely received by PFRDA.”

13. The Committee desired to know from the Ministry as to whether the process of accounting to facilitate speedy and timely compilation of accounts of the organisation have been computerized or not, and if not, what steps were being taken by the Ministry/Department in this regard. In reply, the Ministry have submitted that:-

“Tally software is used by PFRDA for recordkeeping, however, preparation of accounts is a manual process which takes significant time and effort to finalise the accounts. PFRDA is in process of adopting new technology architecture which should reduce the manual interventions.”

14. The Committee further asked the Ministry/Department as to whether the PFRDA had any internal mechanism to ensure timely compilation of accounts and also to minimize the audit queries at the time of auditing. In reply, the Ministry have submitted that:-

“Yes, PFRDA appoints a Chartered Accountancy firm which undertakes the Internal Audit of Accounts on half-yearly basis. Further, there is also an Internal Audit Department in PFRDA which undertakes the Audit. These checks have helped immensely in removing the errors and there have been no major audit paras in CAG Audits.”

15. The Committee also asked the Ministry/Department to state whether any time schedule has been laid down either by the organisation or by the Ministry indicating normative time for completion of the task at each stage involved in finalization of the Annual Reports and Audited Accounts viz. compilation of Annual Accounts, auditing of Accounts, approval of the documents from the Competent Authority, translation and printing and processing in the Ministry for being laid on the Table of the House, and if so, to furnish the reasons therefore. In reply, the Ministry have submitted the following timelines:-

S. No.	Activity	Timelines
1.	<i>Receipt of data/information from different sources</i>	<i>June</i>
2.	<i>Compilation of information received from all sources and preparation of draft Annual Report</i>	<i>July- August</i>
3.	<i>Approval of Competent Authority</i>	<i>September</i>
4.	<i>Hindi Translation</i>	<i>September</i>
5.	<i>Approval of Board of PFRDA</i>	<i>October</i>
6.	<i>Selection of vendor for printing of Annual report</i>	<i>November</i>
7.	<i>Vetting of draft Annual report provided by printer</i>	<i>By December</i>
8.	<i>Getting the printed hard copies from Printer</i>	<i>By December</i>
9.	<i>Receipt of Hard copies of Annual Report in this Department</i>	<i>By December</i>

Note: The above timelines have been set on the assumption that audited Annual Accounts will be received in the month of June, and efforts are made to complete the activities well before the timelines.

(ii) Over the period, PFRDA has improved its processes for finalization of annual accounts and audit reports. For FY 2020-21, timeline was decided as 30th June for finalization of annual accounts and same was approved by its Board on 28th June i.e. within timeline. It may be seen that there is significant improvement in the time taken for finalization of the accounts over the previous years. Further, timelines have also been set of finalization of Annual Report. Over the last 2 years, PFRDA has been on track to submit its Annual Report and Annual Accounts to Parliament in a timely manner.

16. Further, the Committee enquired from the Ministry/Department as to whether there is any mechanism in the Ministry to monitor the progress of work in this regard and to ensure timely laying of the documents. The Ministry in their reply have submitted that:-

“The Department has been monitoring the progress of work in this regard. This Department obtains regular update, from PFRDA to ensure that various activities for finalization of Annual Report are completed by PFRDA within the timelines”

17. The Committee further desired to know whether any remedial measures have been taken or proposed to be taken by the Ministry and the organisation to ensure timely laying of documents before the Parliament within the prescribed period of nine months from the close of the accounting year, in future. The Ministry in their reply have submitted that:-

“During the initial years, there were delays in completion of audit and receipt of final Audit Report from C&AG by PFRDA. However, the issue was identified by the management of PFRDA and corrective actions have been taken by PFRDA in this regard. The audited accounts and audit report for FY 2019-20 were finalized well in time to include the same in Annual Report for FY 2019-20 and laid in the Parliament within the stipulated timelines. Further, for FY 2020-21 accounts have been finalized within 3 months of end of FY and audit of the same has also been completed in September. The final Audit Report is awaited by PFRDA, however the same will be included in Annual Report and will be placed before the Parliament as per stipulated timelines. This Department and PFRDA have learnt from the past and have taken the requisite corrective steps to ensure that there would be no delays in finalization of accounts in the coming years.”

18. The Committee also asked the Ministry/Department about the latest position regarding finalization of the requisite documents of PFRDA for 2020-2021 and also when these documents were expected to be laid on the Table of the House. The Ministry in their reply have submitted that:-

“The accounts of PFRDA for FY 2020-21 have been finalized within 3 months of end of FY and the audit of the same has also been completed in September. The draft Audit Report has been received by PFRDA on 8th September 2021 and the comments thereon have already been submitted by PFRDA on 21st September 2021. Final Audit Report from CAG is awaited by PFRDA. The same is expected in the month of October. The other contents of Annual Report have been finalized by PFRDA and the same is under Hindi translation after which annual report shall be finalized by PFRDA. It is expected that the same shall be placed before the Parliament within the stipulated timelines.”

19. The Committee requested the representatives of the Ministry of Finance (Department of Financial Services) and the Pension Fund Regulatory and Development Authority (PFRDA), New Delhi to appear and tender oral evidence, before the Committee on 21st March, 2022, to further enquire about the reasons of delays in laying the Annual Reports and Audited Accounts of PFRDA, New Delhi for 2015-2016 to 2019-2020, the Committee on Papers Laid on the Table (Lok Sabha).

20. During the oral evidence, the representative of the Ministry/Department made the following submissions:

“Although, no time limit is prescribed over there, but obviously it is understood that if it is to be laid annually, then at least by the end of the next year, as soon as the audit is completed by C&AG, it should be submitted by PFRDA firstly to the Central Government, and then it should be laid in both the Houses of Parliament.”

“Sir, my understanding is, if there is something in the Act, if there is anything in the rules, the Act will supersede....”

With regard to laying of Annual Accounts (not audited by C&AG) before the Parliament, the representative submitted that:

“Sir, I think what has perhaps happened is that there was a mistaken belief that these are audited....

Sir, the error is regretted. It is accepted. There is no doubt about it....

Sir, we are very thankful to the Parliament’s Committee over here that has pointed this out to us, and we have rectified it.”

Observations/Recommendations

21. The Committee observe that the Annual reports and Audited Accounts of the Pension Fund Regulatory and Development Authority (PFRDA), New Delhi under the administrative control of the Ministry of Finance (Department of Financial Services) for the years 2015-2016 to 2020-2021* were laid with repeated delays. Further, the Committee do not subscribe to the submissions made by the Ministry that there was no delay in laying of these requisite documents before the each House of Parliament as per the timeline stipulated under PFRDA Act 2013 which does not provide any time line with regard to laying of the Audited accounts before the Parliament and also, that in case of a difference between the Act and the Rules, the Act will supersede the Rules.

The Committee, here, would like to draw the attention of the Ministry towards the General Financial Rules (GFR), 2017 which are ironically framed by the Ministry of Finance itself, and also towards the earlier recommendation of this Committee i.e., Second Report of 6th Lok Sabha, which makes it obligatory for each organisation receiving funds from the Government of India, to lay their Annual Reports and Audited Accounts, through its administrative Ministry/Department concerned, before the Parliament within nine months of the closure of the respective financial/accounting year. However, the examination of papers laid by the PFRDA for 2015-2016 to 2020-2021 clearly shows that the Annual Report and Audited Accounts were laid after the expiry of nine months from the closure of the respective financial/accounting year. Hence, it is evident that there has been substantial delay in laying these documents of PFRDA before the Parliament.

The Committee do recommend the Ministry to make necessary amendments in the provisions of the PFRDA Act, 2013 to make it mandatory to lay both the Annual Report and the Audited Accounts of PFRDA, within nine months of completion of the respective financial/accounting year in order to avoid incompatibility with the existing General Financial Rules, 2017 and the recommendations of the Committee on Papers Laid on the Table, Lok Sabha. The Committee take serious view of these unwarranted submissions made by the Ministry and do recommend to clarify the position in this regard.

**In addition, the Annual Report and Audited Accounts for 2021-2022 were laid before the Lok Sabha on 19.12.2022, within stipulated time.*

22. The Committee note that the Accounts of the PFRDA for 2013-2014 to 2018-2019 that were laid before the Parliament were not audited by the Comptroller and Auditor General (C&AG) of India. These accounts were audited by the external auditors/Chartered Accountant of the PFRDA. The Committee feel that this is an aberration in contravention from the General Financial Rules which are coined by the Ministry of Finance themselves.

The Committee are dismayed at the role of the nodal Ministry in administrative management over the functioning of the PFRDA and observe that the Ministry failed to notice this grave error on the part of the PFRDA. The Committee, therefore, recommend the Ministry to be more vigilant in implementation of the GFR 2017 framed by the Ministry of Finance itself, regarding laying of requisite documents before the Parliament, so that it can set a yardstick for other Ministries/Departments of Government of India to follow the suite.

23. The Committee also recommend the Ministry to develop an automated dashboard whereby reminders/reprimand could be sent at different stages/deadlines set for the requisite documents of various organizations concerned under their administrative control are not met. The Committee would like to be informed about the measures taken or proposed to be taken by the Ministry, in this regard.

**New Delhi
07th February, 2023
Magha 18, 1944 (Saka)**

**Girish Chandra
Chairperson
Committee on Papers Laid on the Table
Lok Sabha**

vide para 06 of the Report

Statement showing the dates of laying of the Annual Reports and Audited Accounts of the Pension Fund Regulatory and Development Authority (PFRDA), New Delhi for 2015-2016 to 2020-2021.

Financial Year	Date by which Annual Reports and Audited Accounts were required to be laid	Actual date of laying of Annual Reports and Audited Accounts	Extent of delay (approximate)
2015-2016	31.12.2016	07.04.2017 (Annual Report)	03 Months
		22.03.2021 (Audited Accounts)	51 Months
2016-2017	31.12.2017	20.07.2018 (Annual Report)	06 Months
		22.03.2021 (Audited Accounts)	39 Months
2017-2018	31.12.2018	01.07.2019 (Annual Report)	06 Months
		22.03.2021 (Audited Accounts)	27 Months
2018-2019	31.12.2019	10.02.2020 (Annual Report)	01 Month
		22.03.2021 (Audited Accounts)	15 Months
2019-2020	31.12.2020	13.02.2021 (Annual Reports and Audited Accounts)	01 Month
2020-2021*	31.12.2021	14.03.2022 (Annual Reports and Audited Accounts)	02 Month

**In addition, the Annual Report and Audited Accounts for 2021-2022 were laid before the Lok Sabha on 19.12.2022, within stipulated time.*

Appendix-II
vide para 08 of the Report

The chronological sequence in respect of finalization of Annual Reports and Audited Accounts of the Pension Fund Regulatory and Development Authority (PFRDA), New Delhi for 2015-2016 to 2019-2020.

Sub-Question	Points	Financial Years				
		2015-16	2016-17	2017-18	2018-19	2019-2020
(i)	Date of approach to the Audit Authorities	16.08.2016	26.10.2017	04.12.2018	01.11.2019	28.08.2020
	Time taken after the closure of Accounting year	4 Months and 15 days	6 Months and 25 days	8 Months and 3 days	7 Months	4 Months and 27 days
(ii)	Date of appointment statutory auditors	Audit is conducted by CAG in accordance with the Section 42(2) of PFRDA Act, 2013				
	Time taken after the approaching the audit authorities for appointment of auditors					
(iii)	Date of compilation of annual accounts	30.06.2016	11.08.2017	04.10.2018	12.09.2019	11.08.2020
	Time taken after the closure of the accounting year	3 Months	4 Months 10 days	7 Months 3 days	5 Months 11 days	04 Months 10 days
(iv)	Date of submission of annual accounts to auditors	16.08.2016	26.10.2017	04.12.2018	01.11.2019	28.08.2020
	Time taken after closure of respective accounting year	4 Months 15 days	6 Months 25 days	8 Months 3 days	7 Months	4 Months 27 days
(v)	The date and duration for auditing the annual accounts by statutory auditors	15.11.2016 to 15.12.2016	08.11.2017 to 12.12.2017	10.12.2018 to 28.12.2018	18.11.2019 to 05.12.2019	03.09.2020 to 30.09.2020
(vi)	The date of queries raised by auditors during auditing, after completion of the Annual Accounts	15.12.2016 (last query)	04.12.2017 (last query)	14.01.2019 (last query)	04.12.2019 (last query)	30.09.2020 (last query)
	Time taken by auditors in raising the queries during auditing/after	On time	On time	16 days	On time	On time

	completion of the Annual Accounts to Audit Authorities					
(vii)	The date on which the replies to the audit queries were furnished to the Auditors	09.02.2017	21.12.2017	08.02.2019	06.01.2020	30.09.2020
	The time taken to resolve the queries	1 Months 24 days	09 days	24 days	31 days	On time
(viii)	The date on which draft Audit Report was issued by Audit Authorities	-	16.01.2018	01.02.2019	30.12.2019	29.10.2020
	Time taken after auditing of the annual accounts	-	1 Month 3 days	1 Month 4 days	25 days	29 days
(ix)	The date on which the final Audit Report received by organisation	20.04.2017	25.06.2018	25.03.2019	21.02.2020	27.11.2020
	Time taken after issue of draft report	-	5 Months 09 days	1 Months 24 days	1 Months 22 days	29 days
(x)	Total time taken by the audit authorities after receiving of the annual accounts to furnishing the final audit report to the organisation	8 Months 4 days	7 Months 29 days	3 Months 21 days	3 Months 20 days	2 Months 29 days
(xi)	Date of finalization of the annual report	29.10.2016 Content Approval (English)	18.09.2017 Content Approval (English)	26.11.2018 Content Approval (English)	20.11.2019 Content Approval (English)	18.11.2020 Content Approval (English)
	Time taken after the closure of the financial year; and also	Approx- 5 Months 29 Days	Approx- 5 Months and 18 days.	Approx- 7 Months and 26 days.	Approx- 7 Months and 20 days.	Approx- 7 Months 18 Days
	Time taken after the receipt of the final audit report	Audit Report was submitted separately				
(xii)	The date on which documents were got approved from the Competent Authority	Annual Report - 07.11.2016 (Approved by Board) Audit report- 02.06.2017.	Annual Report - 05.10.2017 (Approved by Board) Audit report- 09.10.2018	Annual Report - 17.12.2018 (Approved by Board) Audit report- 05.07.2019	Annual Report - 09.12.2019 (Approved by Board) Audit report- 20.03.2020	Annual Report - 27.11.2020* (Approved by Board with a clause of insertion of SAR report in Annual Report) Audit report- 02.12.2020
	Time taken after finalization of Annual Report	9 Days	17 Days	21 days	19 days	9 days

	Time taken after receipt of final audit report	Audit Report was submitted separately				
(xiii)	The date on which documents were taken up for translation & printing§	Translation-30.10.2016 Printer-15.11.2016	Translation-21.09.2017 Printer-02.12.2017	Translation-30.11.2018 Printer-19.12.2018	Translation-21.11.2019 Printer-11.12.2019	Translation-20.11.2020 Printer-30.11.2020
	The time taken for completing the task at each stage.	Translation-15 days Printing- 10 days	Translation- 14 days Printing- 15 days	Translation-15 days Printing-7 days	Translation- 15 days Printing- 15 Days	Translation- 15 days Printing-20 days
(xiv)	The date for sending the documents to the Ministry for being laid in the House after the completion the task at each stage.	Annual Report – 29.11.2016 Audit Report – 8.2.2021	Annual Report – 19.12.2017 Audit Report - 8.2.2021	Annual Report – 27.12.2018 Audit Report- 8.2.2021	Annual Report – 30.12.2019 Audit Report- 8.2.2021	Annual Report including Audit report – 29.12.2020
		The inadvertent delay in laying of Audited Accounts of PFRDA was due to the fact that the audited accounts which were part of the Annual Reports of PFRDA were mistakenly treated as audited by C&AG. However, the same were actually audited by its external auditors (Chartered Accountants). Subsequently, it was found out during FY 2020-21 that the Audited accounts were not laid before both Houses of Parliament. In view of the same, the Audit Reports and Annual Accounts from FY 2013-14 to 2018-19 were laid before both Houses of Parliament				
	Time taken by the organisation in sending the documents to the Ministry	Annual Report – 3 Days	Annual Report – 2 Days	Annual Report – 1 Days	Annual Report – 4 Days	Annual Report – 9 Days
(xv)	The date of laying the documents in the House.	Annual Report- Lok Sabha-07.04.2017 Rajya Sabha-11.04.2017 Audit Report-22.03.2021 in Lok Sabha 16.03.2021 in Rajya Sabha	Annual Report- Lok Sabha – 20.07.2018 Rajya Sabha – 04.04.2018 Audit Report-22.03.2021 in Lok Sabha 16.03.2021 in Rajya Sabha	Annual Report- Lok Sabha – 01.07.2019 Rajya Sabha – 02.07.2019 Audit Report-22.03.2021 in Lok Sabha 16.03.2021 in Rajya Sabha	Annual Report- Lok Sabha – 10.02.2020 Rajya Sabha – 04.02.2020 Audit Report-22.03.2021 in Lok Sabha 16.03.2021 in Rajya Sabha	Annual Report including Audit Report- 13.02.2021 in Lok Sabha 12.02.2021 in Rajya Sabha
	Time taken after receipt of the documents from the organisation	Annual Report-4 Month and 12 days Audit Report- 3 Years 8 Months	Annual Report-7 Months and 9 Days Audit Report- 2 Years 3 Months	Annual Report-6 Months and 6 Days Audit Report- 1 Year 7 Months	Annual Report-42 Days Audit Report- 10 Months	Annual Report including Audit Report-46 Days

*CAG Audited Balance sheet was reported in Annual Report F.Y. 2019-20 .

§ Translations are carried just after the approval of content by Competent Authority/Finalisation of Annual Report

Committee On Papers Laid On The Table (2021-22)

The Extracts of the Minutes of the seventh sitting of the Committee on Papers Laid on the Table (2021-22) held on 21.3.2022.

The Committee sat on Monday, 21st March 2022 from 15:00 hours to 16:10 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

Present

Shri Ritesh Pandey - ***Chairperson***

***Members
(Lok Sabha)***

1. Dr. Shafiqur Rehman Barq
2. Shri Pallab Lochan Das
3. Choudhary Mehboob Ali Kaiser
4. Smt. Aparupa Poddar (Afrin Ali)

Secretariat

1. Smt. Suman Arora - Joint Secretary
2. Shri Sundar Prasad Das - Director
3. Shri Uttam Chand Bharadwaj - Additional Director

Witnesses

(i) Ministry of Finance (Department of Financial Services)

1. Shri Sanjay Malhotra - Secretary (FS)
2. Ms. Vandita Kaul - Additional Secretary
3. Shri Pankaj Sharma - Joint Secretary

(ii) Pension Fund Regulatory and Development Authority (PFRDA), New Delhi

1. Shri. Supratim Bandyopadhyay - Chairperson, PFRDA
2. Shri Ananta Gopal Das - Executive Director, PFRDA
3. Shri Ashish Kumar Bharati - General Manager, PFRDA

X X X X

2. At the outset, the Chairperson welcomed the Members of the Committee to the sitting and apprised them of the agenda.

3. Thereafter, the Committee took up the matter of delay in laying the Annual Reports and Audited Accounts of the Pension Fund Regulatory and Development Authority (PFRDA), New Delhi which is under the administrative control of the Ministry of Finance (Department of Financial Services), for the years 2013-2014 to 2020-2021.

Then the witnesses of the Ministry of Finance (Department of Financial Services) and the PFRDA, New Delhi were called in.

4. The Chairperson welcomed the representatives of the Ministry of Finance (Department of Financial Services) and the PFRDA, New Delhi to the sitting of the Committee and informed them of the agenda of the sitting. The Chairperson also informed the witnesses about the provisions of Direction 58 of the Directions by the Speaker, Lok Sabha, regarding the confidentiality of the proceedings.

5. The Chairperson pointed out the inordinate delays in laying the Annual Reports and Audited Accounts of the PFRDA for 2015-2016 to 2020-2021 before the Parliament, and also to the reported mistake in laying the Annual accounts of the PFRDA for 2013-2014 to 2018-2019 which were audited by a Chartered Accountant, instead of C&AG.

The Secretary to the Ministry, submitted before the Committee that as per the Section 42 of the PFRDA Act, 2013, there is no time limit prescribed in the act w.r.t the submission of the Audited Accounts of the PFRDA to the Central Government and, as per the Section 46 of the Act, the Annual Reports are required to be submitted to the Central Government, within nine months after the close of each financial year. The Chairperson immediately countered this submission by stating the provision of General Financial Rules, w.r.t the laying of the requisite documents before the Parliament which are designed by the Ministry of Finance. The Chairperson pointed out at these two conflicting provisions regarding laying of the requisite documents before the Parliament and called this an error that is existent within the Ministry. The Chairperson recommended to amend the PFRDA Act 2013, to make it compulsory to lay the annual report and Audited accounts before the Parliament within nine months of the close of the accounting year. The Secretary to the Ministry assured that they would attempt to do it. The Chairperson also suggested to the Ministry to develop an automated dashboard whereby a reminder can be sent to the concerned officers by way of automatic reminders and also to create accountability in this regard.

6. The Chairperson thanked the representatives of the Ministry of Finance (Department of Financial Services) and the PFRDA, New Delhi for the free and frank views in connection with the examination of the subject and asked them to furnish the replies to the queries raised especially about the change in the Rules.

The witnesses of the Ministry of Finance (Department of Financial Services) and the PFRDA, New Delhi then withdrew.

7-12. X X X X

The witnesses then withdrew.

The Committee then adjourned.

Committee On Papers Laid On The Table (2022-23)

The Extracts of the Minutes of the second sitting of the Committee on Papers Laid on the Table (2022-23) held on 07.02.2023.

The Committee sat on Thursday, 07th February 2023 from 15:00 hours to 16:30 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

Present

Shri Girish Chandra - *Chairperson*

*Members
(Lok Sabha)*

2. Dr. A. Chellakumar
3. Smt. Aparupa Poddar
4. Shri T.N. Prathapan
5. Shri Saptagiri Sankar Ulaka

Secretariat

1. Shri Naval K. Verma - Director
2. Shri Uttam Chand Bharadwaj - Additional Director

X X X X X

2. At the outset, the Chairperson welcomed the Members of the Committee to the sitting and apprised them of the agenda.

3. X X X X X

4. Thereafter, the Committee took up the following four draft Reports for consideration and adoption:-

(i) Delay in laying the Annual Reports and Audited Accounts of the Pension Fund Regulatory and Development Authority, New Delhi under the administrative control of the Ministry of Finance (Department of Financial Services);

(ii) X X X X X;

(iii) X X X X X; and

(iv) X X X X X.

The above mentioned Reports were unanimously adopted by the Committee and the Chairperson was authorized by the Committee to finalize and present these four Reports to the Lok Sabha.

5-12. X X X X X

The Committee then adjourned.

(A Copy of the verbatim proceedings of the sitting is kept.)