

**COMMITTEE ON PAPERS LAID ON THE TABLE
(2022-2023)**

SEVENTEENTH LOK SABHA

116

ONE HUNDRED AND SIXTEENTH REPORT

**[Action-taken by the Ministry of Housing and Urban Affairs on the Recommendations/
Observations made by the Committee in their Forty-eighth Report (Seventeenth Lok Sabha)
regarding the delay in laying of the Annual Reports and Audited Accounts of the Noida Metro
Rail Corporation (NMRC) Limited, NOIDA]**

(Presented to Lok Sabha on 27 March, 2023)



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI
March, 2023/Chaitra, 1945 (Saka)**

CONTENTS

PAGE

COMPOSITION OF THE COMMITTEE ON PAPERS LAID ON THE TABLE (2022-2023)	(iii)
INTRODUCTION	(v)
<u>REPORT</u> Action-taken by the Ministry of Housing and Urban Affairs on the Recommendations/ Observations made by the Committee in their Forty Eighth Report (Seventeenth Lok Sabha) regarding the delay in laying of the Annual Reports and Audited Accounts of the Noida Metro Rail Corporation (NMRC) Limited, NOIDA.	01
<u>APPENDICES</u>	
<u>Appendix-I</u> Reply showing Action-taken by the Ministry of Housing and Urban Affairs on the Recommendations/ Observations made by the Committee in their Forty-eighth <i>Report (Seventeenth Lok Sabha)</i>	03
<u>Appendix-II</u> The Extracts of the Minutes of the sitting of the Committee held on 23 March, 2023	06

COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE
(2022-23)

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 Sixteenth Report on the action taken by the Government on the recommendations/observations made by the Committee in the Forty-eighth Report (Seventeenth Lok Sabha) regarding the delay in laying the Annual Reports and Audited Accounts of Noida Metro Rail Corporation (NMRC) Limited, NOIDA.

2. The Forty-eighth Report (Seventeenth Lok Sabha) was presented to Lok Sabha on 13 December, 2021. The Ministry of Housing & Urban Affairs have furnished their replies on 11 March, 2022 indicating the action-taken on the observations/ recommendations contained in the Forty-eighth Report. The Committee considered and adopted this Report at their sitting held on 23 March, 2023.

3. 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.

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

New Delhi

23 March, 2023
02 Chaitra, 1945 (Saka)

Girish Chandra
Chairperson
Committee on Papers Laid on the Table

(iv)

COMMITTEE ON PAPERS LAID ON THE TABLE (2021-2022), LOK SABHA

Action-taken by the Ministry of Housing and Urban Affairs (MoH&UA) on the Recommendations/ Observations made by the Committee in their Forty-eighth Report (Seventeenth Lok Sabha) regarding the delay in laying of the Annual Reports and Audited Accounts of the Noida Metro Rail Corporation Limited, NOIDA

This Report of the Committee deals with the action-taken by the MoH&UA on the Recommendations/Observations made by the Committee on Papers Laid on the Table (2020-2021) in their Forty-Eight Report (17thLok Sabha) which dealt with the matter of the delays in laying the Annual Reports and Audited Accounts of the Noida Metro Rail Corporation (NMRC) Limited, NOIDA for the years 2017-2018 and 2018-2019 and which was presented to the Lok Sabha on 13.12.2021.

2. The action-taken replies, both in Hindi and English versions, to all the Observations/Recommendations of the said Report have been received from the MoH&UA on 11thMarch, 2022. Accordingly, the reply showing the action-taken by the MoH&UA from the Recommendations/Observations contained in the Forty-eighth Report (17thLok Sabha) is given at Appendix-I.

3. **The MoH&UA in their written replies have stated that as per section 96 of the Companies Act, 2013, the Annual General Meeting of every company should be held within 6 months from the date of the closure of the respective accounting year and not more than fifteen months between the date of one Annual General Meeting (AGM) of the company and that of the next. It has also been stated by the MoH&UA that for any special reasons, Registrar of the Companies might extend the time within which any AGM shall be held by a period not exceeding 3 months. It has further been stated by the MoH&UA that “as per section 394 of the Companies Act, 2013, every Government company whose member is the central government shall prepare an annual report on the working of a company within 3 months after its AGM which shall be laid before both House of Parliament together with a copy of the Audit Report and C&AG comments thereon.” Accordingly, the requisite documents of the NMRC were submitted to the MoH&UA on 10.01.2022 within the extended time provided by the Ministry of corporate Affairs on account of COVID-19 pandemic situation.**

4. In this connection, the Committee desire to draw the attention of the MoH&UA guidelines issued by the Bureau of Public Enterprises, Government of India O.M. No. 3(7)/2002-Fin.-GL-XX dated 28th August, 2003 regarding laying of the Annual Reports and Audited Accounts of Autonomous Bodies and Government Companies, which inter-alia states that –

“ The administrative Ministries who are responsible for laying reports of the Central PSEs under their control before Parliament are required to exercise greater vigilance and devise suitable procedure to ensure that such report and accounts are laid before Parliament within the stipulated period of nine months of the close of the accounting year. The Annual Report and Audited Accounts should be present to Parliament together to enable the House to have a complete picture of the working of that PSU. The meeting of the Board of directors/Trustees needs to be held in time to ensure the aforesaid compliance.”

Therefore, since the guidelines (dated 28th August, 2003) of the Bureau of Public Enterprises, Government of India are in force as on date, the reply of the Ministry of Housing and Urban Affairs (MoH&UA) citing section 394 of the Companies Act, 2013 as well as on account of COVID-19 pandemic situation are not acceptable to the Committee.

5. The Committee observe that the MoH&UA had taken extension of time from the Registrar of the Companies for the years 2018-2019, 2019-2020, 2020-2021 in convening the Annual General Meeting and therefore, the requisite documents of these years were laid with delays. The Committee feel that seeking extension of time repeatedly is also not justified on any ground and, therefore, strongly recommend to adhere to the Guidelines issued by DPE, the Companies Act, and the recommendations of the Committee (Recommendation (Nos) 1.16 First Report 5th Lok Sabha and 1.12, Second Report 6th Lok Sabha *refers*) so that the requisite document of the NMRC should be laid within nine months after the closure of the respective accounting year. The Committee would like to be informed about the corrective action taken by the NMRC and the Ministry of Housing and Urban Affairs (MoH&UA) within three months after the presentation of the Report.

New Delhi

23 March, 2023
02 Chaitra, 1945 (Saka)

Girish Chandra
Chairperson

Committee on Papers Laid on the Table

Note : - The requisite documents of NMRC for the year 2021-22 were laid on 15.12.2022.

**Reply showing Action-taken by the Ministry of Housing and Urban Affairs on the
Recommendations/ Observations contained in the Forty Eighth Report (Seventeenth Lok Sabha)**

NOIDA Metro Rail Corporation Limited, NOIDA

Recommendation Serial No. 13

The Committee notes that the papers were not laid on the Table of the House within the stipulated time and the delays happened even after the best efforts on the part of the Ministry as well as the NMRC. The Committee further notes, as the Ministry presented during the oral hearing in the matter, that following all the due process in this regard, the NMRC was made a joint venture of the Government of India and the Government of Uttar Pradesh only on June 2, 2018 and hence in this view, the laying of papers was only due in March, 2019. The Committee also note the error of the Company pointed out by the Ministry that the Company should not have laid papers for 2017-18 on the Table of the Lok Sabha, but instead, should have laid the same on the Table of the Legislative Assembly of the State of Uttar Pradesh; and that the Company should only have laid the papers related to the accounting year 2018-19, which became due only after March, 2020 and that the same was laid on the Table of the House on March 5, 2020. The Committee further note the fact of timely laying of the papers brought out to its cognisance by the Ministry.

Reply of the Government

The Committee reiterates the stand taken by the Ministry and the Company. Hence no follow up action is required. However in future, the Annual Reports and Audited Accounts of the Noida Metro Rail Corporation limited will be laid on the Table of the Houses well within time.

[The Ministry of Housing and Urban Affairs O.M. No. K14011/22/2019-MRTS-I dated 11 March, 2022]

Recommendation Serial No. 14

Duly noting the oral submission made by the Ministry that in consonance with the provisions of the Companies Act, 2013, the papers were laid within the stipulated time of within three months of the Annual General Meeting, the Committee emphasizes that nonetheless, according to the recommendations of this Committee and the General Financial Rules, the papers have to be laid within the nine months from the closure of the account year, i.e. in this case, before December 2019. The Committee find that serious consideration and importance should have been given to this timeline.

Reply of the Government

In pursuance of above observations/recommendations, it is submitted that as per Section 96 of the Companies Act, 2013, every company shall hold its Annual General Meeting (AGM) within 6 months from the date of closing of the Financial Year and not more than fifteen months shall elapse between the date of one Annual General Meeting of a company and that of the next.

For any special reasons, Registrar of Companies (RoC) may extend the time within which any Annual General Meeting shall be held by a period not exceeding 3 months in the instant case, RoC has granted an extension of 03 months vide letter dated 25.09.2019 for the Financial Year 2018-19. The due date of holding the Annual General Meeting was 31.12.2019 and AGM was held on 31.12.2019.

As per Section 394 of the Companies Act, 2013, every Government company whose member is the central government shall prepare an Annual Report on its workings & company's affairs within 3 months of its AGM which shall be laid before both Houses of Parliament together with a copy of the Audit Report and CAG comments thereon. The report for the Financial Year 2018-2019 has been laid before the House of Parliament on 05.03.2020.

Whereas, General Financial Rules (GFR) are the rules and orders are treated as executive instructions to be observed by all Departments and Organizations under the Government and specified Bodies except otherwise provided for in these Rules.

Brief details of events are as follows:-

<u>Year</u>	<u>AGM Due as per Companies Act, 2013</u>	<u>Extended time of AGM within provisions of Companies Act, 2013 with approval of Competent Authority</u>	<u>AGM held</u>	<u>Due for laying as per provisions of Companies Act, 2013</u>	<u>Laid before the house of Parliament</u>
<u>2017-2018</u>	30.09.2018	31.12.2018	28.12.2018	Not required to be placed before the house of Parliament.	Not required to be placed before the house of Parliament
<u>2018-2019</u>	30.09.2019	31.12.2019	31.12.2019	31.03.2020	05.03.2020

Since, Noida Metro Rail Corporation Limited (NMRC) is a 50:50 Joint Venture of Government of India (GoI) and Government of Uttar Pradesh (GoUP) and is registered under the provisions of Companies Act, 2013, the applicable statute with respect to laying of Annual Report before the House of Parliament is Companies Act, 2013. So far as GFR is concerned, the specific rule (Rule No. 237) with respect to time schedule for submission of annual accounts does not seem to be applicable in the present context of NMRC in view of the shareholding pattern as mentioned above.

However, recommendation of the committee has been noted for future and the Annual Reports and audited accounts of the Noida Metro Rail Corporation limited will be laid on the table of the houses well within time limit provided in the law.

[The Ministry of Housing and Urban Affairs O.M. No. K14011/22/2019-MRTS-I dated 11 March, 2022]

Recommendation Serial No. 15

The Committee hopes that in future all necessary efforts would be taken by the Ministry as well as the Company in timely laying of the Annual Reports and Audited Accounts of the NMRC with strict adherence to the recommendations of the Committee as well as extant rules of the General Financial Rules

Reply of the Government

The observations of the Committee have been noted for future compliance. NMRC is taking all the necessary efforts in timely laying of the Annual Reports and Audited Accounts before the Houses of parliament. However, NMRC has submitted the annual report for the financial year 2020-2021 to Ministry of Housing and Urban Affairs on 10.01.2022 within the extended time period provided by Ministry of Corporate Affairs on account of COVID-19 pandemic situation

[The Ministry of Housing and Urban Affairs O.M. No. K14011/22/2019-MRTS-I dated 11 March, 2022]

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

**The Extracts of the Minutes of the sitting of the Committee on Papers Laid on the Table
held on 23 March, 2023**

The Committee sat on Thursday, 23rd March, 2023 from 15:00 hours to 17:10 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

Present

Shri Girish Chandra - ***Chairperson***

***Members
(Lok Sabha)***

1. Shri Pallab Lochan Das
2. Choudhary Mehboob Ali Kaiser
3. Shri Jamyang Tsering Namgyal
4. 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

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

xx xx xx xx

4. At first, the Committee took up the following four draft Reports and eight Action taken Reports for consideration and adoption:-

- i. to x
- xi. Action-taken by the Ministry of Housing and Urban Affairs on the Recommendations/Observations made by the Committee in their Forty-eighth Report (Seventeenth Lok

Sabha) regarding the delay in laying of the Annual Reports and Audited Accounts of the Noida Metro Rail Corporation (NMRC) Limited, NOIDA;\

xii.

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

XX	XX	XX	XX
XX	XX	XX	XX

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

The Committee then adjourned.
