

**ESTIMATES COMMITTEE  
1962-63**

**NINTH REPORT**

(THIRD LOK SABHA)

**MINISTRY OF FINANCE  
(DEPARTMENT OF EXPENDITURE)**

**Action taken by Government on the recommendations contained in the Seventy-Third Report of the Estimates Committee (Second Lok Sabha)—Preparation of Budget Estimates of Public Undertakings and Presentation of their Annual Reports and Accounts to Parliament.**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**December, 1962**  
**Agrahayana, 1884 (.S)**

*Price : Re. 0.40 rP.*

## LIST OF AUTHORISED AGENTS OF LOK SABHA SECRETARIAT

- |  |   |   |
|--|---|---|
| <b>ANDHRA PRADESH</b>  |   |   |
| 1. G. R. Lakshminipathy Chetty & Sons, General Merchants & News Agents, Newpet, Chandragiri, Chittoor District (Andhra Pradesh). | 15. Deccan Book Stall, Fergusson, College Road, Poona-4.                                  | 28. Goel Traders, 100-C, New Mandi, Muzaffarnagar.                          |
| <b>BIHAR</b>   | <b>MYSORE</b>   | 29. B.S. Jain & Company, 71, Abupura, Muzaffarnagar.                        |
| 2. 'Jagriti', Bhagalpur-2.   | 16. The New Book Company (P) Ltd., Kitab Mahal, 188-90, Dr. Dadabhai Noroji Road, Bombay. | <b>WEST BENGAL</b>  |
| <b>GUJARAT</b>   | 17. Makkalapustaka Press, Balamandira, Gandhi Nagar, Bangalore-9.                         | 30. M.C. Sarkar & Sons (P) Ltd., 14, Bankim Chatterjee Street, Calcutta-12. |
| 3. Lok Milap, District Court Road, Bhavnagar.  | 18. People's Book House, Opp. Jaganmohan Palace, Mysore-1.                                | 31. W. Newman & Company Ltd., 3, Old Court House Street, Calcutta.          |
| 4. The New Order Book Company, Ellis Bridge, Ahmedabad-6.  | 19. Pervaje's Book House, Koppikar Road, Hubli.   | 32. Thacker Spink & Company (1933) (P) Ltd., 3, Esplanade East, Calcutta-1. |
| <b>MADHYA PRADESH</b>  | <b>ORISSA</b>   | 33. Firma K.L. Mukhopadhyay, 6/1A, Bancharham Akur Lane, Calcutta-12.       |
| 5. The National Law House, near Indore Library, Opp. Old High Court Building, Indore.  | 20. The Cuttack Law Times Office, Cuttack-2.  | <b>DELHI</b>  |
| 6. Modern Book House, 286, Jawahar Ganj, Jabalpur-1.   | 21. Ekamra Vidyabhaban, Eastern Tower Room No. 3, Bhuvaneshwar-1.                         | 34. Jain Book Agency, Connaught Place, New Delhi.                           |
| <b>MADRAS</b>  | <b>PUNJAB</b>   | 35. M/S. Sat Narain & Sons, 3141, Mohd. All Bazar Mori Gate, Delhi.         |
| 7. The Kalpana Publishers, Book Sellers, Trichinopoly-3.   | 22. The English Book Depot, 78, Jhoke Road, Ferozepore Cant                               | 36. Atma Ram & Sons, Kashmere Gate, Delhi-6.                                |
| <b>MAHARASHTRA</b>   | <b>RAJASTHAN</b>  | 37. J.M. Jaina & Brothers, Mori Gate, Delhi-6.                              |
| 8. The Imperial Book Depot., 266, Mahatma Gandhi Road, Poona.  | 23. Information Centre, Government of Rajasthan, Tripolia, Jaipur City, Rajasthan.        | 38. The Central News Agency, 23/90, Connaught Circus, New Delhi.            |
| 9. The Popular Book Depot (Registered), Lamington Road, Bombay-7.  | 24. K.M. Agarwal & Sons, Railway Book Stall, Udaipur.                                     | 39. The English Book Shop, 7-L, Connaught Circus, New Delhi.                |
| 10. The International Book House, Private Ltd., 9, Ash Lane, Mahatma Gandhi Road, Bombay-1.                                      | <b>UTTAR PRADESH</b>  | 40. Rama Krishna & Sons, 16-B, Connaught Place, New Delhi.                  |
| 11. The International Book Service, Deccan Gymkhana, Poona-4.  | 25. Swastik Industrial works, 59, Holi Street, Meerut City (U.P.)                         | 41. Lakshmi Book Stores 42, M.M. Janpath, New Delhi.                        |
| 12. Charles Lambert & Company, 101, Mahatma Gandhi Road, Opposite Clock Tower, Fort, Bombay.                                     | 26. A.H. Wheeler & Company, Private Ltd., 15, Englin Road, Allahabad.                     | 42. Kitab Mahal (W.D.) Private Ltd., 28, Faiz Bazar, Delhi.                 |
| 13. The Good Companions, Rasapura, Baroda.   | 27. Law Book Company, Sardar Patel Marg, Allahabad.                                       |   |
| 14. The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.  |   |   |

## **CONTENTS**

|   | <b>PAGE</b> |
|---|-------------|
| Composition of the Committee . . . . .  | (ii)        |
| Introduction . . . . .  | (iii)       |
| I. Report . . . . .   | 1           |
| II. Recommendations that have been accepted by Government . . . . .   | 3           |
| III. Replies of Government that have been accepted by the Committee . . . . .   | 13          |
| IV. Replies of Government that have not been accepted by the Committee . . . . .  | 15          |
| <br><b>APPENDIX :</b>   |             |
| I—Analysis of the action taken by Government on the recommendations contained in the Seventy-Third Report of the Estimates Committee (Second Lok Sabha) . . . . . | 20          |

## ESTIMATES COMMITTEE

(1962-63)

### CHAIRMAN

Shri H. C. Dasappa

### MEMBERS

2. Shri Joachim Alva
3. Shri D. Basumatari
4. Shri Shree Narayan Das
5. H.H. Maharaja Pratap Keshari Deo
6. Shri Govind Hari Deshpande
7. Shri Arun Chandra Guha
8. Shri S. Hansda
9. Shri Ansar Harvani
10. Shri Kanhu Charan Jena
11. Shri Anand Chandra Joshi
12. Lt. Col. H. H. Maharaja Manabendra Shah of Tehri Garhwal
13. Shri Jashvant Mehta
14. Shri N. Sreekantan Nair
15. Shri Ananda Nambiar
16. Shri A. Nesamony
17. Shri Tika Ram Paliwal\*
18. Shri Panna Lal
19. Shri Naval Prabhakar
20. Shri K. Rajaram
21. Dr. K. L. Rao
22. Shri Rameshwar Sahu
23. Shrimati Jayaben Shah
24. Shri Diwan Chand Sharma
25. Shri Vidya Charan Shukla
26. Shri Braj Raj Singh@
27. Shri Tekur Subramanyam
28. Shri G. G. Swell
29. Shri K. K. Warior
30. Shri Balkrishna Wasnik

### SECRETARIAT

Shri N. N. Mallya, *Deputy Secretary.*

---

\*Elected w. e. f. 19th August, 1962 *vice* Shri Shivram Rango Rane resigned.

@Elected w. e. f. 15th November, 1962 *vice* Shri B. J. Singh, died on 8.9.62.

## INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee, present this Ninth Report of the Estimates Committee on the action taken by Government on the recommendations contained in the Seventy-Third Report of the Estimates Committee (Second Lok Sabha) on the Ministry of Finance (Department of Expenditure)—Preparation of Budget Estimates of Public Undertakings and Presentation of their Annual Reports and Accounts to Parliament.

2. The Seventy-Third Report of the Estimates Committee was presented to the Lok Sabha on the 23rd February, 1960. Government furnished their replies indicating the action taken on the recommendations contained in this Report on the 30th November, 1961. The replies were examined by the Study Group 'F' of the Estimates Committee (1962-63) on the 5th September, 1962. The draft Report was adopted by the Committee on the 25th November, 1962.

3. The Report has been divided into the following four Chapters:—

I. Report.

II. Recommendations that have been accepted by Government.

III. Replies of Government that have been accepted by the Committee.

IV. Replies of Government that have not been accepted by the Committee.

4. An analysis of the action taken by Government on the recommendations contained in this Report of the Estimates Committee is given in Appendix I. It would be observed therefrom that out of 22 recommendations made in the Report, 59.1 per cent. have been accepted by Government and replies in respect of 13.6 per cent. of the recommendations have been accepted by the Committee while replies of Government in respect of the remaining 27.3 per cent. of the recommendations have not been accepted by the Committee.

H. C. DASAPPA.

*Chairman.*

*Estimates Committee.*

NEW DELHI;

December 4, 1962

*Agrahayana 13, 1884 (S)*

## CHAPTER I

### REPORT

In paras 1 and 2 of their Seventy-Third Report (Second Lok Sabha) on the 'Preparation of Budget Estimates of Public Undertakings and Presentation of their Annual Reports and Accounts to Parliament', the Committee observed that no consolidated information was available with regard to the investment made by Government in the Public Undertakings, their working and the net effect thereof on the national economy, etc. and stressed the need for improving the methods of furnishing information to Parliament about Public Undertakings. In reply, Government have stated that the information was available in Annexure XIV (now Annexure XVII) of the Explanatory Memorandum on the General Budget and the brochure entitled 'Principal Public Sector Undertakings in India', published by the Central Statistical Organisation. The Committee had already pointed out in their Seventy-Third Report, that the information contained in the Explanatory Memorandum was not comprehensive and did not include loans given to the various Undertakings. Similarly, the brochure 'Principal Public Sector Undertakings in India', as its name indicates, does not contain information about all the Public Undertakings. It is thus evident that the information contained in these publications is not adequate and does not fulfil the purpose envisaged by the Committee.

2. The Committee, however, note that in reply to the recommendation made in para 25 of their Seventy-Third Report, Government have stated that there is a proposal to bring out a consolidated financial and economic review of industrial Undertakings of Government. *They feel that the need for furnishing consolidated information to Parliament would be met if the scope of the proposed publication is enlarged to include all Public Undertakings properly classified. They hope that this will be done and the publication brought out as early as possible.*

#### *Performance-cum-programme statement*

3. In para 3 of the Report, the Committee reiterated their earlier recommendation, made in 20th Report (Second Lok Sabha) on Budgetary Reforms, that the industrial undertakings should prepare a performance-cum-programme statement and business type budgets which should be made available to Parliament at the time of the budget discussion. Further in para 4 of the Report, the forms of the

statements and budgets were suggested. While accepting the recommendation, Government have stated that some companies were already giving the necessary information and that arrangements were being made so that the information was made available in future by all/corporations.

*The Committee hope that the recommendation will be implemented without any undue delay and the requisite information would be made available by all public undertakings by the time of the next year's budget discussion.*

#### *Fixation of time limit*

4. In paras 16 and 17 of the Report, the Committee noted that the time taken in presentation to the House of annual reports and accounts of statutory corporations had ranged from 3 months to 2 years 11 months, and of Government Companies from 4 months to 2 years 11 months, after the expiry of their financial years. They felt it essential that Parliament should be seized of these reports within the least possible time after the expiry of the financial year and recommended in para 20 thereof that a time limit, similar to that allowed in U.S.A. and U.K. (i.e., about 5 to 6 months) should be fixed in this behalf, the outer limit being the presentation of general budget for next year. In reply, Government have stated that every effort would be made to present the annual reports within the least possible time after the close of the financial year but they have not specified any time limit. *The Committee feel that to secure expeditious presentation of annual reports of all public undertakings to Parliament, it is necessary to lay down a time limit in this regard which should not in any case go beyond the outer limit indicated above. They, therefore, reiterate the recommendation.*

CHAPTER I I

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

| Sl. No.<br>(as in the<br>Appendix<br>to Report) | Ref. to<br>the para<br>No. of the<br>Report | Summary of conclusions/recom-<br>mendations   | Reply of the Government   | Comments of the Committee            |
|---|---|---|---|--------------------------------------|
| 1   | 2   | 3   | 4   | 5                                    |
| 2   | 3   | <p>The Estimates Committee, in their Twentieth Report (Second Lok Sabha) on Budgetary Reforms, recommended that the Industrial Undertakings should prepare a performance and programme statement for the budget year together with the previous year's statement and that it should be made available to Parliament at the time of the annual budget. They further recommended that these bodies might also be encouraged</p> | <p>&amp; 3 : From a study of the recent Annual Reports, it will be observed that some companies are already giving the necessary information. However, arrangements are being made so that the information desired by the Committee is made available in future by all Corporations.</p> <p style="text-align: right;"><i>[Ministry of Finance, Department of Expenditure O. M. No. F. 2(2)-PC/60 dated 30th November, 1961].</i></p> | <p>Please see para 3 of Chap. I.</p> |



to prepare business type budgets which could be of use to Parliament at the time of the budget discussion. The Government replied that the recommendations were under examination whereupon the Committee in their 60th Report suggested that the examination of the recommendations should be completed soon and they be implemented early. The Committee reiterate their earlier recommendations

The Committee suggest that the specimen forms of budget given in Appendix IIA and Appendix IIB might be suitably adapted for purposes of presenting the performance-cum-programme statements and the budgets of the Public Undertakings in India. In this connection, they would, however, like to recommend that the following particulars may be furnished in the statements/budgets :

- (i) the principal objects of the undertakings ;
- (ii) their current principal activities ;
- (iii) achievements in physical terms during the previous year and the programme of achievement in physical terms during the current and the following years ;
- (iv) result of operations in financial terms during the previous year and the anticipated results during the current and the following years ;
- (v) a brief analysis of the balance sheets of the Undertakings ; and
- (vi) explanation for wide variations.

7

The Committee do not see why a distinction should be made between one statutory body and another in respect of presentation of the Annual Reports, nor do the Committee see any objections to the Reports being laid on the Table

10

Accepted.

[Ministry of Finance, Department of Expenditure O. M. No. F.F. 2(2)-PC/60 dated 30th November, 1961].

of the Houses of Parliament when they are being supplied to the Parliament Library. They, therefore, suggest that the matter of following a uniform practice in the case of all statutory corporations may be considered.

9           12           The Committee see no reason why in the case of all public bodies set up under special legislation or under the Companies Act or under the Registration of Societies Act the Annual Reports should not also be presented to Parliament. They, therefore, recommend that the Government may take suitable steps to present the Reports of all such bodies to Parliament.

12           18           It is felt that the supply of copies of Reports to the Members individually would not serve the purpose of laying the Reports on the Table of the House within a reasonable time.

Government have already accepted the recommendation.

[*Ministry of Finance, Department of Expenditure O.M. No. F. 2(2)-PC/60 dated 30th November, 1961.*]

Noted.  
[*Ministry of Finance, Department of Expenditure O.M. N. F. 2(2)-PC/60 dated 30th November, 1961.*]

15

The Comptroller and Auditor General of India has suggested to the Committee that so far as the statutory corporations are concerned, it would be desirable that the Accounts and the Audit Report thereon should be presented to Parliament before the Budget for the next year is discussed in Parliament. The Committee are entirely in agreement with the suggestion and feel that it would be very desirable to extend that principle to the Government Companies also.

16

The Committee recommend that the Accounts and Reports for the previous year of all the Public Undertakings, whether they are statutory corporations, Government companies or other bodies, may be laid before the Parliament before the general budget for the following year is presented.

17

The Committee recommend that when there is a statutory provision for presentation of accounts to Parliament with the certificate of the Comptroller & Auditor General

15 & 16 :

The Companies, Corporations etc. are being instructed to so arrange their programme that as far as possible, their Annual Reports & Accounts are available at the time of Budget discussions.

[*Ministry of Finance, Department of Expenditure O.M. No. F. 2(2)-PC/60 dated 30th November, 1961.*]

Accepted.

[*Ministry of Finance, Department of Expenditure O.M. No. F. 2(2)-PC 60 dated 30th November, 1961.*]

only the accounts as certified by him should be presented. Even in other cases where there is no such statutory provision for certificate by the Comptroller & Auditor General the accounts should be presented to Parliament only with necessary audit certificate by the professional Auditors of the respective concerns and in the case of Government Companies with the comments of Comptroller and Auditor General thereon as required under Section 619(4) of the Companies Act.

18(i)

25

In their 60th Report the Committee reiterated the recommendation made in their 20th Report (Second Lok Sabha) with regard to the desirability of bringing out a consolidated volume containing the budget, performance and programme statements etc. for use of Parliament at the time of budget discussion. The Com-

It is proposed to make a start with a consolidated Financial & Economic Review of Industrial Undertakings of the Government. As experience is gained, further modifications could be made.

[*Ministry of Finance, Department of Expenditure O.M. No. F. 2(2)-PC 60 dated 30th November, 1961.*]

mittee again reiterate that recommendation. They also feel that to get a full picture of the role played by the Public Undertakings in the development of the country's economy and resources it would be essential that in addition to the annual reports of the Public Undertakings which are laid before Parliament individually, a separate comprehensive report should be presented to Parliament indicating the Government's appraisal of their working.

18 (ii)

25

The Committee are aware that there are certain Undertakings which are promotional in nature and it may not be appropriate to club them with other undertakings which work on commercial lines. The Committee suggest that the report to be presented to Parliament may be prepared in two parts, one relating to undertakings of industrial, commercial or financial nature and the other relating to

undertakings of a purely promotional nature.

19 It had been recommended in the 16th Report (First Lok Sabha) and the 11th Report (Second Lok Sabha) of the Estimates Committee that the Annual Reports of the Public Undertakings should be more elaborate. The suggestion was reiterated in the 19th Report of the Estimates Committee (Second Lok Sabha). The Committee notice that the reports, with a few exceptions in the case of Life Insurance Corporation, are not informative enough.

20 It should be noted that Parliament is not interested merely in the rate of dividend declared by the Public Undertakings but it is also concerned with various other aspects of their working such as their physical and financial programme, achievements in relation to the programme,

19, 20 & 21. Instructions are being issued so that Reports are amplified on the lines indicated by the Committee.

[Ministry of Finance, Department of Expenditure O.M. No. F. 2(2)-PC 60 dated 30th November, 1961].

productivity, cost of production, price structure, employment trends, labour relations, organisational changes etc. The Committee suggest that in evolving a common pattern for the reports all these aspects may be kept in view. Pending the preparation of a common pattern, the Committee suggest that all the Undertakings may be advised to describe in their reports their programme and achievements in greater detail ; the industrial undertakings may indicate in their reports *inter alia* their unit cost of production, the rate of output per man or per unit of capital employed and the other undertakings also may be encouraged to indicate, where possible, similar co-efficients of efficiency appropriate to the business.

The Committee understand that recently the Company Law Administration has issued instructions stressing the



need for making the Annual Reports prepared by the Ministries on Government Companies as informative as possible so as to render the financial accounts of these companies more intelligible and meaningful to the public in the context of their management policy. The Committee feel that similar instructions should also be issued to the statutory corporations.

22

The Committee suggest that the Government may initiate a study of the reports prepared by nationalised industries and public corporations in other countries and evolve a common pattern on which the reports on Public Undertakings in India might be prepared.

29

Accepted.

*[Ministry of Finance—Department  
of Expenditure O.M. No. F.  
2(2)-PC 60 dated 30th  
November, 1961].*

CHAPTER III

**REPLIES OF THE GOVERNMENT THAT HAVE BEEN ACCEPTED BY THE COMMITTEE**

| Serial No.<br>(as in<br>the Appen-<br>dix to<br>Report) | Reference<br>to<br>the para No.<br>of the<br>Report | Summary of conclusions/recommendations   | Reply of the Government  |
|---|---|--|--|
| 1   | 2   | 3  | 4  |
| 4   | 5   | <p>The Committee desire that in the cases of the few organisations in regard to which the recommendation for having a common financial year for the Public Undertakings has not been accepted as yet, it may be implemented, as there could be no reason for having a different financial year for them.</p> | <p>Departure was made only in respect of certain financial institutions like the Reserve Bank of India, State Bank of India, Life Insurance Corporation, Industrial Finance Corporation and the Rehabilitation Finance Administration, Export Risks Insurance Corporation &amp; Hindustan Salt Co. Ltd. The financial institutions mentioned are governed by separate enactments and stand on a special footing. It is not, therefore, considered necessary to make any change in their financial year. As regards Export Risks Insurance Corporation, it is a member of Union 'D' Assurances Pour Le Control Des Credits Internationaux, Berne, (Union of Insurers for the supervision of</p> |

international Credits) to whom under the Regulations, accounts have to be rendered for a calendar year and it will not, therefore, be possible to change its financial year, as then it will have to finalise the accounts twice. The seasonal character of Salt production has necessitated the Company to have their financial year as July—June.

[*Ministry of Finance—Department of Expenditure O.M. No. F. 2(2)-PC/60 dated 30th November, 1961*].

5           6           The Committee observe that there is no uniformity in regard to the submission of Annual Reports and Accounts of Public Undertakings to Parliament. In some cases, they are not required to be submitted, at all. In some where they are required to be submitted, there are delays in submission, while in some others accounts not certified by the auditors are submitted.

8           The Committee observe that in the case of the Rehabilitation Finance Administration the Law provides for the presentation of Half-yearly Reports and Annual Accounts. The Committee feel that in addition to an Half-yearly Report an Annual Report should also be presented to Parliament together with the Annual Accounts so that a uniform practice is followed in respect of the Public Undertakings.

Please see reply against Sl. Nos. 2 & 3.

[*Ministry of Finance—Department of Expenditure O.M. No. F. 2(2)-PC/60 dated 30th November, 1961*].

The Rehabilitation Finance Administration has been wound up.

[*Ministry of Finance—Department of Expenditure O.M. No. F. 2(2)-PC/60 dated 30th November, 1961*].

CHAPTER IV

REPLIES OF GOVERNMENT THAT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

| Serial No. (as in the Appendix to Report) | Reference to the para No. of the Report | Summary of conclusions and recommendations   | Reply of the Government  | Comments of the Committee                     |
|---|---|--|--|---|
| 1   | 2                                       | 3  | 4  | 5   |
| 1   | 2                                       | <p>Considering the huge investment of Public Funds in the Public Undertakings, the existing methods available to Parliament of keeping itself fully informed about these undertakings are neither adequate nor satisfactory. Under the existing arrangement Parliament does not get a comprehensive picture of the undertakings. Firstly, there is no consolidated information</p> | <p>Information regarding the undertakings is given in Annexure XIV of the Explanatory Memorandum of the Budget of the Central Government for 1960-61. In the Demands for Grants for individual Ministries, details of balance sheet, profit and loss account, etc. are also given for each individual undertaking. The Central Statistical Organisation of the</p> | <p>Please see paras 1 and 2 of Chapter I.</p> |

available with regard to the total investment made by Government in the Public Undertakings and the subsequent changes made therein by way of addition or withdrawal. Secondly, no consolidated information is available with regard to the working of the undertakings and the net effect thereof on the national economy of the country. Thirdly, even with regard to individual undertakings Parliament does not get information in time with regard to their working and the state of their present condition and even when the information is made available it is found to be very often inadequate. There is, therefore, a real need for improving the methods of furnishing information to Parliament about the Public Undertakings.

Cabinet Secretariat have published a Brochure on 'Principal Public Sector Undertakings in India.' Individual undertakings are being instructed to make their reports fuller and more informative.

[*Ministry of Finance—Department of Expenditure O.M. No. F. 2(2)-PC 60 dated 30th November, 1961*].

8

As public funds are invested in certain companies which are not Government Companies and the Central Government have a direct interest in them and exercise control over them through the representatives on the Boards of Directors of the companies, the Committee do not see why the reports of such companies should not also be presented to the House. They, therefore, recommend that reports of such companies also be presented to Parliament.

11

These are not Government Companies. However, arrangements are being made for the supply of annual reports to the Library of the House.

[*Ministry of Finance—Department of Expenditure O.M. No. F. 2(2)-PC/60 dated 30th November, 1961.*]

The supply of the reports to Parliament Library does not meet the recommendation of the Committee with regard to their presentation to Parliament. The Committee reiterate their recommendation.

10

The Committee feel that as a certain amount of public funds has been invested in the international bodies like the International Finance Corporation, the International Bank for Reconstruction & Development and the International Monetary Fund Parliament would be interested in knowing the results of association with such bodies.

13

10 & 11. Copies of the reports of International Finance Corporation, International Monetary Fund and International Bank for Reconstruction & Development and full reports of the discussions which take place at the annual meetings are sent to the Parliament Library.

[*Ministry of Finance—Department of Expenditure O.M. No. F. 2(2)-PC/60 dated 30th November, 1961.*]

The annual reports of the international institutions or the reports of the discussions which take place at their annual meetings do not clearly disclose the results of the association of our country with them during that year. Moreover, the Committee's intention in citing the examples of Australia and Canada in the original report was that special reports should be submitted by Government on the activities

11 The Committee feel that an arrangement should be made in India also whereby a report on the activities of the international institutions so far as they relate to India is presented to Parliament every year.

13 In view of the fact that under Section 166 of the Companies Act the Companies are required to hold their annual general meetings within 9 months from the end of the companies financial year and the Central Government are empowered to extend the period by another 6 months the instructions issued by the Company Law Administration would allow a maximum time limit of 1-1/2 years for the Central Government to present the Reports in respect of Government Companies. The committee feel 18 months is far too long a period.

of these institutions so far as they relate to our country. Since this has not been accepted by Government, the Committee reiterate their recommendation.

13 & 14. Every effort will be made to present the Annual Reports within the least possible time after the close of the financial year.

Please see para 4 of Chapter I.

[Ministry of Finance—Department of Expenditure of O.M. No. F. 2(2)-PC/60 dated 30th November, 1961].

Since the Annual Reports of State enterprises are a valuable device of informing Parliament and Public about their operations and financial conditions, it is essential that Parliament should be seized of these reports within the least possible time after the expiry of the financial year.

The Committee feel that a similar time limit as is allowed in U.S.A. and U.K. for presentation of Annual Reports should be fixed for the presentation of the Reports of the Corporations as well as Government Companies to Parliament.

NEW DELHI;

December 4, 1962

*Agrahayana 13, 1884 (S).*

H. C. DASAPPA,  
Chairman,

*Estimates Committee.*



## APPENDIX I

(*Vide* Introduction)

*Analysis of the action taken by Government on the recommendations contained in the 73rd Report of the Estimates Committee (Second Lok Sabha).*

|  |       |
|--|-------|
| 1. Total number of recommendations made . . . . .  | 22    |
| 2. Recommendations that have been accepted by Government ( <i>Vide</i> recommendations Nos. 3, 7, 9, 12, 15, 16, 17, 18, 19, 20, 21 and 22 referred to in Chapter II):                       |       |
| Number . . . . .   | 13    |
| Percentage to total . . . . .  | 59·1% |
| 3. Recommendations not accepted by Government but replies in respect of which have been accepted by the Committee ( <i>Vide</i> recommendations Nos. 4, 5 and 6 referred to in Chapter III): |       |
| Number . . . . .   | 3     |
| Percentage to total . . . . .  | 13·6% |
| 4. Recommendations in respect of which replies of Government have not been accepted by the Committee ( <i>Vide</i> recommendations Nos. 1, 8, 10, 11, 13 and 14 referred to in Chapter IV):  |       |
| Number . . . . .   | 6     |
| Percentage to total . . . . .  | 27·3% |

