

**COMMITTEE
ON
PAPERS LAID ON THE TABLE
(1976-77)**

**(FIFTH LOK SABHA)
THIRD REPORT**



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 1976/Bhadra, 1898(Saka)

Price: Re. 0.70

328.54A

CORRIGENDA

to

THIRD REPORT OF COMMITTEE ON PAPERS
LAID ON THE TABLE(Presented on 30.8.1976)

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COMMITTEE ON PAPERS LAID ON THE TABLE

(1976-77)

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SECRETARIAT

Shri P. K. Patnaik—Additional Secretary.

Shri Y. Sahai—Chief Legislative Committee Officer.

Shri N. N. Mehra—Senior Table Officer.

INTRODUCTION

1. The Chairman of the Committee on Papers laid on the Table of the House, having been authorised by the Committee to present the Report on their behalf, present the Third Report.

2. As a result of examination of some papers laid during the Fifteenth and Sixteenth Sessions, the Committee have come to certain conclusions in regard to the withdrawal of advance from the Contingency Fund of India for expenditure on 'New Service', and delay in the laying of (i) annual Report on the working of Employees' Provident Funds and Family Pension Scheme and (ii) Notifications issued by the Government of Nagaland during the President's rule.

3. The Committee took evidence of the representatives of the Ministry of Home Affairs, Finance and Energy regarding withdrawal of advance from the Contingency Fund to meet the expenditure on a 'New Service' on the 11th May, 1976. The Committee also heard the views of the representatives of the Ministry of Home Affairs on the 11th May, 1976 on the question of laying of Notifications on the Table issued by the Government of Nagaland while under President's rule.

4. The Committee wish to express their thanks to the Ministries of Home Affairs, Finance, Energy and Labour for furnishing information desired by the Committee.

5. The Committee considered and adopted this Report at their sitting held on the 19th August, 1976.

6. A statement giving summary of the recommendations/observations of the Committee is appended to the Report (Appendix-II).

NEW DELHI;

August 20, 1976.

Shravana 29, 1898 (Saka).

ERA SEZHIYAN,

Chairman,

*Committee on Papers Laid
on the Table.*

CHAPTER I

WITHDRAWAL OF ADVANCE FROM THE CONTINGENCY FUND OF INDIA DURING THE 'VOTE ON ACCOUNT' PERIOD FOR 1976-77 FOR EXPENDITURE ON "NEW SERVICE".

A statement (Appendix—I) showing advance proposed to be drawn from the Contingency Fund of India during the 'Vote on Account' period for 1976-77 for expenditure on a 'New Service' for which necessary provision had been made in the Demands for Grants for 1976-77, was laid on the Table of Lok Sabha on 31-3-1976 by the Deputy Minister of Home Affairs. According to information given in the statement, Government proposed to draw Rs. 15 lakhs as advance from the Contingency Fund of India for expenditure on setting up a new Government company, namely, North-Eastern Electric Power Corporation Private Limited. The advance was proposed to be recouped to the Fund after the Demands were voted and the connected Appropriation Act for the whole year was passed.

1.2. Giving brief reasons as to why the expenditure could not be deferred till the Demands for Grants were voted by Parliament, the Ministry have explained the position in the statement as under:—

"Delay in the registration and setting up the Company would not be in the public interest. It is, therefore, proposed to register the Corporation and proceed with the work immediately on the commencement of the year 1976-77, pending voting of the Demands for Grants and passing of the connected Appropriation Bill for the whole year."

1.3. Rule 6 of the Contingency Fund of India Rules provides as under:—

"Advances from the Fund shall be made for the purposes of meeting unforeseen expenditure including expenditure on a new service not contemplated in the annual financial statement."

1.4. Article 267(1) of the Constitution which allows meeting of unforeseen expenditure from the Contingency Fund of India pending authorisation of such expenditure by Parliament by law under Articles 115 or 116 provides as under:—

"267. (1) Parliament may by law establish a Contingency Fund in the nature of an imprest to be entitled 'the Con-

tingency Fund of India' into which shall be paid from time to time such sums as may be determined by such law, and the said Fund shall be placed at the disposal of the President to enable advances to be made by him out of such Fund for the purposes of meeting unforeseen expenditure pending authorisation of such expenditure by Parliament by law under article 115 or article 116."

1.5. The Contingency Fund of India Act, 1950 established a Contingency Fund with the corpus of Rs. fifteen crores. This Act was amended in 1970 and the corpus of Contingency Fund was raised to thirty crores. In 1972, to enable Government to meet heavy commitments which Government had to make by way of aid to Bangladesh, the corpus of the Fund was raised from Rs. thirty crores to Rs. one hundred crores during the period beginning on the 9th February, 1972 and ending on the 30th April, 1972. The Contingency Fund of India (Amendment) Bill passed by the Lok Sabha on the 17th August, 1976 seeks to raise the corpus of the Fund from Rs. 30 crores to Rs. 50 crores.

1.6. Para 4 of the booklet on 'Vote on Account for Expenditure of the Central Government for 1976-77' which was circulated to Members on 20-3-1976 give the following undertaking by the Govt.:

"4. Although the provision included in the 'Vote on Account' is generally on the basis of 1/6th of the estimated provision for the whole year, the 'Vote on Account' is not intended to be used for expenditure on 'New Service'".

1.7. From time to time Members had questioned the Government on the constitutional propriety of meeting urgent 'New Service' expenditure by obtaining an advance from the Contingency Fund. On the 17th December, 1974, after Supplementary Demands for Grants in respect of the State of Gujarat for 1974-75 were presented to Lok Sabha, an objection was raised *inter-alia* that the expenditure on a 'New Service' during a year should be regularised through a Supplementary Demand. The objection was upheld by the Speaker observing that the matter might be considered by the Rules Committee. Again on the same day during discussion in the House on Supplementary Demands for Grants (General) for 1974-75, certain objections were raised by Members regarding the form and procedure for 'New Services', withdrawal from Contingency Fund and their inclusion in the Supplementary Demands. The Speaker observed that—

"We will have to devise some procedure for their (Government) guidance and for the guidance of the House...."

In this regard, Minister of Finance addressed a letter to the Speaker on the 25th December, 1974 stating Government's views on drawal of advance from the Contingency Fund for meeting expenditure on 'New Service' as under:—

"The term 'unforeseen expenditure' occurring in article 267 of the Constitution has not been defined. But on the advice of the Ministry of Law and in consultation with the Comptroller and Auditor General, it is being taken to cover cases where an inevitable payment could not be reasonably foreseen or where at the time of making budget provision the extent of the expenditure could not be reasonably assessed and provided for.

Expenditure on 'New Service' is invariably met after taking Parliamentary approval. However, in cases of urgency where this is not possible, the expenditure is initially met by taking an advance from the Contingency Fund pending authorisation of such expenditure, as contemplated in article 267(1) of the Constitution.....if recourse to the Contingency Fund is not available even for genuine and urgent 'new service', inconvenience will be caused both at the Centre and, also in the case of State Governments for schemes implemented through them.

I agree the discretion to obtain Contingency Fund advance should be exercised with great care and restraint and I learn that, apart from the rules framed to regulate such advances, these advances are also subject to audit scrutiny to satisfy whether the criterion prescribed for such advances were fulfilled."

1.8. In reply to the Finance Minister's letter, the Speaker had conveyed his decision in the matter on 19th February, 1975 as under:—

"I am of the opinion that when Lok Sabha is in Session, any Demand for 'New Service' should be brought before the House and not met from the Contingency Fund."

1.9. On 21-4-1976 the Committee took up for examination the statement laid on the Table on 31-3-76 and decided to take evidence of the representatives of the Ministries of Home Affairs, Finance and Energy regarding advance drawn from the Contingency Fund to meet the expenditure on the 'New Service' namely North Eastern Electric Power Corporation Private Ltd.

1.10. The Committee noted that in the statement laid on the Table on 31.3.1976, the advance to be drawn was indicated as Rs. 15 lakhs but according to a clarification received from the Ministry of Home Affairs actually a sum of Rs. 11.297 lakhs was drawn on the 2nd and 3rd April, 1976. During evidence, the Committee inquired as to when was the decision taken to set up that Corporation and whether sufficient time was not available to include the proposed expenditure in the Supplementary Demands for Grants, 1975-76 so that the amount could receive the sanction of Parliament and it could be withdrawn from the Consolidated Fund of India.

1.11. The representatives of the Ministry of Home Affairs stated that the proposal to set up the Corporation was mooted on the 19th September, 1975 when the first reference was made to them by the Department of Energy. The witness explained that on the 26th December, 1975, a letter was received by the Ministry of Home Affairs to the effect that there was a proposal for setting up a Corporation under the Companies Act and about the fact that the entire authorised share capital of Rs. 75 crores would be financed by the Central Government. The letter further mentioned that:—

“In order to facilitate the release of funds it is desired that a token provision of Rs. 1,000 under minor head be made by the Ministry of Home Affairs.”

The letter also asked the Ministry of Home Affairs to make token provision in the budget for 1976-77. The witness added that another letter dated 31-1-1976 explained that the expenditure on registration of the Corporation might take place during 1976-77. The proposals for setting up the Corporation were approved by the Cabinet on the 11th March, 1976 and as the Supplementary Demands for Grants were presented to Lok Sabha on 8-3-1976, the item could not be included in the Supplementary Demands.

1.12. In this connection the representative of the Department of Energy explained that Government of India would subscribe in equity shares of the Company to the tune of Rs. 75 crores and during the year 1976-77 Rs. 5.5 crores were proposed to be spent. The North-Eastern region as a whole was short of power and the Corporation was primarily set up to execute and implement the Kopili Hydro-Electric Project. The reason for delay in taking the decision was that there was no consensus between the North-Eastern Council and the Government of India as to what should be the actual shape of the Organisation.

1.13. When the Committee enquired about the propriety of drawing the amount from the Contingency Fund to meet the expenditure on the "New Service", the representative of the Ministry of Finance explained that the amount could not be taken out of 'Vote on Account' as it was a 'new service' and had not been voted. So, the only alternative was to draw the money from the Contingency Fund. This had to be done as the amount had to be spent during the brief period between the end of the financial year and the voting of the new budget. In 1968, when a similar situation had arisen the Comptroller and Auditor General had advised that advance could be drawn from the Contingency Fund.

1.14. The Committee pointed out that on the 17th December, 1974 while the Supplementary Demands for Grants for 1974-75 were being discussed the question of propriety regarding drawal of money for a 'new service' was raised in the House and the Speaker addressed a letter to the Finance Minister in that regard. In the context of the views of the Speaker which were conveyed to the Finance Minister on 19-2-1975 in reply to his letter of 25th December, 1974, the Committee enquired whether the drawal of advance from the contingency Fund for expenditure on the Corporation was not a clear violation of the decision given by the Speaker.

1.15. The representative of the Ministry of Finance explained that Contingency Fund of India rules did not place any such restriction. Further, after the receipt of the Speaker's communication, Ministry of Finance took up the matter with the Department of Parliamentary Affairs explaining the practical difficulties in regard to meeting the expenditure on a 'new service' and the Ministry had suggested that the matter might be taken up with the Rules Committee. When the Committee pointed out that unless the ruling given by the Speaker was changed it had to be observed and Government should have taken up the matter with the Speaker explaining the difficulties faced by them, the representative of the Ministry of Finance contended that the communication from the Speaker to the Finance Minister did not constitute a ruling given in the House. The Committee pointed out that on 21st April, 1960 during debate on the Finance Bill when the Finance Minister drew a distinction that the decision given by Speaker on a file was not as binding as a Ruling given in the House, the Speaker (M. A. Ayyangar) ruled as under:

"Lest it should be understood in future that I agree with what the Finance Minister has said, I may say that so far as the procedure is concerned, as to what ought to be done here, whether inside the chamber or outside the chamber,

on any matter that arises, if I give my decision, it is as good as a Ruling in the House....”

(L.S. Deb. 21-4-1960, cc. 13089—91)

1.16. The witness further explained that after the Speaker wrote to the Finance Minister, some proposals for amendments to the rules of procedure of Lok Sabha were received by the Ministry of Finance for comments. The Committee pointed out that those amendments were still under consideration of the Rules Committee and unless the rules were amended, the Speaker's ruling had to be followed. The representative of the Ministry of Finance, thereupon, submitted that “In view of the clarification given by you, I must apologise for the mistake made by us.”

1.17. The Committee note that on 31-3-1976 Government laid a statement on the Table of Lok Sabha showing that an advance of Rs. 15 lakhs was proposed to be drawn from the Contingency Fund of India for expenditure on a ‘New Service’ for which necessary provision had been made in the Demands for Grants for 1976-77. The amount was proposed to be spent for setting up a new Government Company namely North-Eastern Electric Power Corporation Private Ltd.

1.18. The Committee further note that under Rule 6 of the Contingency Fund of India Rules advances from the Contingency Fund should be made for the purposes of making unforeseen expenditure including expenditure on a new service not contemplated in the annual financial statement.

1.19. The Committee further note that time and again Members had raised the question of the constitutional propriety of meeting urgent expenditure on a ‘New Service’ by withdrawal of money from the Contingency Fund when Lok Sabha was in session and on 19-2-1975 the Speaker had conveyed his decision to the Finance Minister that “when Lok Sabha is in session, any Demand for ‘New Service’ should be brought before the House and not made from the Contingency Fund”.

1.20. The Committee also note that the representative of the Ministry of Finance while giving evidence before the Committee tried to contend that decision of the Speaker conveyed to the Minister through a letter did not amount to a ruling given in the House but when his attention was drawn to a ruling given on this point in the House on 21-4-1960, he admitted at length that Speaker's decision conveyed through his letter dated 19-2-1975 addressed to the Minister of Finance was binding on them and Government had made a

mistake in withdrawing the amount from the Contingency Fund for expenditure on a 'New Service' while Lok Sabha was in session. It is needless to point out that Speaker's decision whether given on floor of the House or conveyed through a letter was binding on all and it has to be implemented unless it is changed by the Speaker or by the House. The Committee, however, appreciate the genuine difficulties of Government and situations cannot be totally ruled out when money has to be spent urgently on a 'New Service' and any delay in implementation of a particular scheme might be against the public interest.

1.21. The Committee recommend that normally no amount should be drawn from the Contingency Fund to meet the expenditure on a 'New Service' while Lok Sabha is in session and every attempt should be made to get the prior approval of Lok Sabha by including the amount in the annual financial statement or the Supplementary Demands for Grants pertaining to that year. However, in exceptional cases when withdrawal of advance from the Contingency Fund becomes inevitable owing to some procedural difficulties like the one that money drawn on 'Vote on Account' cannot be used for expenditure on a 'New Service', Government should first circulate to Members a statement giving details of the scheme for which money is needed and the circumstances under which approval of Parliament cannot be obtained in the normal course. Thereafter, a resolution should be brought to the House by the Minister concerned authorising the Government to withdraw a specified amount from the Contingency Fund of India pending voting on Demands for Grants and enactment of the Appropriation Bill. When such a resolution is brought, the House may show a little indulgence and decide upon the resolution preferably without any detailed discussion.

This recommendation, before finalisation, was placed before the Speaker and approved by him.

CHAPTER II

DELAY IN LAYING THE ANNUAL REPORT ON THE WORKING OF EMPLOYEES' PROVIDENT FUNDS AND FAMILY PENSION SCHEMES, FOR THE YEAR 1973-74

Annual Report on the working of the Employees' Provident Funds and Family Pension Schemes for the year 1973-74 was laid on the Table of Lok Sabha on 8-1-1976. No statement showing reasons for delay in laying the report was laid on the Table along with the report.

2.2. On the 18th March, 1976, Ministry of Labour were asked to explain the reasons for delay. Ministry in their reply dated the 22nd May, 1976 have stated as under:—

“...Employees' Provident Funds and Family Pension Fund Act, 1952 and the Scheme framed thereunder do not contain any provision for laying the Annual Report on the working of Employees' Provident Funds and Family Pension Schemes before Parliament. The Lok Sabha Secretariat at vide their O.M. No. 2|1|14|63|PAC dated the 16th January, 1964 had informed that it was open to Govt. to lay before Parliament Reports or accounts of any public body irrespective of the fact whether there is statutory provision to this effect or not. Accordingly the annual reports on the working of Employees' Provident Funds and Family Pension Schemes, are being laid before Parliament.

....According to para 74 of the Employees' Provident Funds Scheme, 1952, the Central Provident Fund Commissioner is required to submit annual report on the working of Employees' Provident Fund Scheme to the Government before the 30th November of each year in respect of report of previous financial year. The Central Provident Fund Commissioner was therefore requested to explain the reasons for delay in submitting the report of the year 1973-74 to the Government. He has stated that the approval of the report by the Central Board of Trustees, Employees' Provident Fund, finalisation of final minutes of the Board, carrying out the corrections/modification pointed out by the Board and thereafter print-

ing of the annual report takes much time and it could not therefore be possible to submit the report to the Government earlier. The Employees' Provident Fund vests in the Central Board of Trustees and annual report is also to be finalised by the Board. Annual Report for the year 1973-74 could be submitted by them to the Government only on the 26th November, 1975."

23. Ministry have further stated that the difficulties pointed out by the Central Provident Fund Commissioner in submitting the annual report in time are real, and if there be no objection, cyclostypled copies of the report could be sent for laying in Parliament to cut delay.

24. Para 74 of the Employees' Provident Fund Scheme, 1952 provides as under.

"The Central Board shall approve before the 15th October, and submit to the Central Government before the 30th November, each year a report on the working of the Employees' Provident Funds Scheme during the previous financial year."

Thus it is clear that the report for the year 1973-74 was due to be submitted by 30-11-1974 but it was laid on the Table of Lok Sabha on 8-1-1976 i.e. after fourteen months of the date on which it was due to be submitted to the Central Government.

2.5. The Committee noted that there was no specific statutory provision for laying on the Table Annual Report on the working of the Employees' Provident Funds and Family Pension Schemes but Government had been laying these Reports suo-moto.

2.6. On inquiry from the Ministry of Labour it had been revealed that the Annual Report for 1973-74 was considered by the Central Board of Trustees, Employees' Provident Fund in its 64th meeting held on 23-11-1974 and was approved in the same meeting subject to certain observations. The Report was rectified by the Central Provident Fund Commissioner in consultation with the Regional Commissioners and was sent for printing to the Government Press, Chandigarh on the 8th July, 1975. The Press returned the Report duly printed on 22-11-1975.

2.7. In reply to a specific query as to what action was taken by the Ministry to get the Report expedited when the Report for 1973-74 was not received by the due date, the Ministry of Labour had intimated that no communication was sent to the Central Provident

Fund Commissioner when the Report was not received by the 30th November, 1974.

2.8. The Committee further noted that the Report for the year 1974-75 which was also due in November, 1975 had not yet been laid on the Table.

2.9. The Committee note that although there is no statutory provision for laying the annual Reports on the working of the Employees' Provident Funds and Family Pension Schemes yet Government have been laying these Reports on the Table suo-moto.

2.10. The Committee further note that according to the Employees' Provident Funds Scheme, 1952 "the Central Board shall approve before the 15th October, and submit to the Central Government before the 30th November, each year a report on the working of the Employees' Provident Funds Scheme during the previous financial year."

2.11. The Committee further note that the Annual Report for the year 1973-74 was laid on the Table on 8-1-76 i.e. fourteen months after the date on which it was due to be submitted to the Central Government and no statement showing reasons for delay in laying the Report was laid on the Table along with the Report. The Committee also note that the Annual Report for the year 1974-75 which was due in November, 1975 has not been laid on the Table so far.

2.12. The Committee need hardly stress that Ministry of Labour should act as the watch dog of the interests of the employees and workers and they must ensure that the Reports on the working of Employees' Provident Funds and Family Pension Schemes are submitted within the prescribed time and laid on the Table soon thereafter. The Committee feel surprised that no check is being exercised by the Ministry if the Report is not submitted by the Central Provident Fund Commissioner by the prescribed date. The mere fact that there is no statutory requirement for laying a document should not make the entire machinery inactive. A document laid on the Table after long delay defeats the very purpose for which it is laid viz., to keep the Parliament informed of the activities and financial position of the organisation. The Committee recommend that suitable procedure should be devised to ensure timely submission of the report. In case of any delay, the matter should be taken up by the Ministry with the Central Provident Fund Commissioner to expedite submission of the report. In any case, the Annual Report for a particular year should be submitted to the Government by the 30th November as prescribed in the rules and laid on the Table during the Winter Session of Parliament held during that year.

2.13. The Committee trust that Ministry of Labour will take necessary steps to see that the Annual Report for the year 1974-75 is laid on the Table without any further delay and the Annual Report for 1975-76 is submitted to the Government by the 30th November, 1976 and laid on the Table soon thereafter.

2.14. The Committee has no objection to the Ministry's suggestion that cyclostyled copies of the report might be laid on the Table in order to cut delay, provided this does not become a regular feature and the printed copies are made available to Members as early as possible, in no case later than a month after the submission of a cyclostyled report.

CHAPTER III

NOTIFICATIONS ISSUED BY THE GOVERNMENT OF NAGALAND DURING PRESIDENT'S RULE IN THE STATE

The President took over the administration of the State of Nagaland through a Proclamation issued under Article 356 of the Constitution on the 22nd March, 1975. On enquiry by Lok Sabha Secretariat, Ministry of Home Affairs had intimated *vide* their note dated 31st December, 1975 that the following ten Notifications were issued by the Government of Nagaland during the period April to November, 1975 which in pursuance of the Proclamation were required to be laid before Parliament:

- * (1) Notification No. FIN/REV/2/7/75 dated 28-4-1975 [The Nagaland Sales Tax (Amendment) Rules, 1975].
- (2) Notification No. FIN/RAV/2-11/75 dated 29-4-1975.
- (3) Notification No. FIN/TAX/10/75 dated 24-6-1975.
- (4) Order No. Supply 3/38/75 dated 19-7-1975 (The Essential Articles Price Control) Order, 1975.
- (5) Notification No. FIN/TAX/4/75 dated 26-7-1975.
- ** (6) Notification No. FIN/TAX/4/75 dated 11-9-1975.
- (7) Notification No. SPLY-1/8/75 dated 11-9-1975 [The packaged (Regulation) Order, 1975].
- (8) Notification No. FIN/TAX/29/75 dated 13-9-1975.
- (9) Notification No. TPI/MV/27/75 dated 1-10-1975.
- (10) Order No. SPLY/4/5/75 dated 4-11-1975.

3.2. Notification mentioned at serial Nos. (4), (7) and (10) were laid on the Table of Lok Sabha on 28-1-1976 during the Fifteenth Session. Notifications at serial Nos. (1) and (6) were laid on the Table of Lok Sabha on 12-5-1976 during the Sixteenth Session.

*On 22-7-1976 Ministry of Finance intimated that the Notification was published in Nagaland Gazette on 1.5.1975.

**On 22-7-1976 Ministry of Finance intimated that the Notification was published in Nagaland Gazette on 31-10-1975.

3.3. After examining the matter, the Committee in paras 4.5 and 4.6 of their First Report (1975-76) which was presented to Lok Sabha on 8-3-1976 had made the following recommendations:—

“The Committee regret that in spite of a clear procedure laid down by the Committee on Subordinate Legislation for laying of Notifications of a State under President’s Rule out of 10 Notifications issued by the Government of Nagaland during the period April to November, 1975 which are required to be laid on the Table, only 3 Notifications were laid on the Table of Lok Sabha during the Fifteenth Session. The remaining seven Notifications have not yet been laid before Parliament even though attention of Government had been drawn in December, 1975, to the fact that these Notifications were required to be laid on the Table. The Committee need hardly stress that it is the duty of the administrative Ministries of the Central Government to fulfil the Constitutional and statutory requirement of laying the Notifications in respect of a State under President’s rule to keep Parliament informed about the functioning of the State Government.

The Committee trust that the administrative Ministries will be more vigilant in future to lay such Notifications before Parliament in time.”

3.4. At their sitting held on 21-4-1976 the Committee took note of the fact that in spite of their clear directions contained in their First Report that the Notifications pertaining to the State of Nagaland, which were required to be laid on the Table of Lok Sabha should be laid on the Table in accordance with the established procedure, none of the seven Notifications about which the Committee had commented upon had been laid on the Table till then. The Committee, therefore, decided to take evidence of the representative of the Ministry of Home Affairs on the 11th May, 1976 to ascertain the reasons why these Notifications had not been laid on the Table.

3.5. In the meantime the Ministry of Home Affairs informed *vide* their letter dated the 7th May, 1976 that out of 10 Notifications issued by the Government of Nagaland during the President’s Rule in the state, mentioned in their note dated the 31st December, 1976, 5 Notifications were not required to be laid on the Table.

3.6. The representative of the Ministry of Home Affairs appeared before the Committee on the 11th May, 1976. During the evidence the Committee desired to know the factual position as to

which particular Notifications were not required to be laid and the reasons therefor and the position in regard to the remaining 2 Notifications, which were required to be laid. The representative of Ministry of Home Affairs stated that President's Rule was imposed in Nagaland on 22nd March, 1975 and on 31st March, 1975 the Chief Secretary of Nagaland was addressed in the matter informing him that the Notifications, rules etc. issued by the State Government were required to be laid before Parliament within a period of 30 days from the date of publication thereof in the State Gazettee, if the House was in session and, if the House was not in session, within 30 days of the commencement of the ensuing session. Copies of the letter sent on 31st March were also endorsed to all the Ministries of the Government of India. The witness further stated that out of the 10 Notifications issued by the Government of Nagaland, only 5 were required to be laid on the Table of the House. Out of those five Notifications, 2 were laid within time and one after expiry of the prescribed time limit of 30 days. The remaining 2 Notifications* pertaining the Ministry of Finance had not been laid on the Table (These two Notifications* were however subsequently laid on 12-5-1976).

3.7. Regarding the follow up action taken by the Ministry of Home Affairs, the witness stated that after the receipt of a letter from Lok Sabha secretariat enquiring whether after the imposition of President's Rule in Nagaland, there were any Notifications which were required to be laid before Parliament, the matter was taken up with the State Government on 23-10-1975 and was followed up on 10-11-1975 and 24-11-1975. The State Government was again reminded on 16-12-1975. On 29-12-1975, copies of the ten Notifications were received from the Government of Nagaland and those were forwarded to the concerned Ministries. The witness further stated that on being asked to give the reasons for delay in respect of cases where there had been delay, the Government of Nagaland informed on 11-5-1976 that they regretted the delay but no reasons were given by them.

3.8. In reply to a specific question by the Committee whether the 10 notifications were sent to the Ministry of Home Affairs or to the other concerned Ministries of the Central Government, the representative of the Ministry of Home Affairs stated that the Notifications were received by the Ministry of Home Affairs on 29-12-1975 and the same were sent to the concerned Ministries on 31-12-1975 for being laid on the Table.

*Serial Nos, 1 and 6 in para 3.1.

3.9. The witness stated that on examination of the notifications received from Govt. of Nagaland by the concerned Ministries it had been found that the following five Notifications were not required to be laid on the Table:

- | | |
|----------------------|-----------------|
| (i) Fin./REV/2-11/75 | dated 29-4-1975 |
| (ii) Fin./TAX/10/75 | dated 24-6-1975 |
| (iii) Fin./TAX/4/75 | dated 26-7-1975 |
| (iv) Fin./TAX/29/75 | dated 13-9-1975 |
| (v) TPL/MV/27/75 | dated 1-10-1975 |

3.10. The witness clarified that the first four Notifications pertained to the Ministry of Finance and that Ministry had informed on 17-4-1976 that those Notifications were not required to be laid. Regarding the Fifth Notification, the witness explained that it was issued under the Motor Vehicles Act and made provision for reciprocal arrangement for introduction of permit system for goods Vehicles within a number of States and on examination it was found that the Notification was not required to be laid on the Table. Intimation to this effect was sent by the Ministry of Shipping & Transport on 3-1-1976.

3.11. In regard to the procedure evolved by the Ministry of Home Affairs for laying of papers before Parliament with a view to have proper coordination as the papers relating to a State under President's Rule were laid by different Ministries of the Government of India, the witness explained that State Governments were required to send copies of the Notifications to the concerned administrative Ministries under intimation to the Ministry of Home Affairs. As a coordinator, Home Ministry had to fulfil its obligation and State Governments under President's Rule had been asked to issue fresh instructions to their departments in regard to the laying of papers and forward monthly reports to the Ministry of Home Affairs with regard to the Notifications issued by them.

3.12. Asked in what manner the Home Ministry ensured proper coordination and kept a track that all papers required to be laid before parliament were actually laid, Ministry of Home Affairs have in a written Note submitted as under:

"All the States which are under President's Rule were again advised on 10th May, 1976 that Statutory Rules/Notifications etc. will be required to be laid before Parliament, within the prescribed period. With a view to keep a check for ensuring that no avoidable delay occurs in laying such Rules/Notifications before Parliament, the State

Governments were also advised to forward to Ministry of Home Affairs, monthly reports, indicating therein, the Notifications/Orders/Rules, etc. statutorily required to be issued, in the State Gazette and required to be laid on the Table of both Houses of Parliament. The Ministries concerned are also being reminded regularly that necessary action for laying these on the Table of both Houses of Parliament, should immediately be taken, under, intimation to Ministry of Home Affairs. The Coordinating Officers of the different Ministries have also been requested to let the Ministry of Home Affairs know separately, whether list of Notifications have been received from the States under President's Rule and if so, whether necessary action has been taken to lay them before Parliament.

3.13. The Ministry's Note further points out that:

"The State Governments while sending papers direct to the concerned Central Ministries for laying before Parliament, invariably endorse copies of their communications to the Ministry of Home Affairs to enable this Ministry to keep a check on the progress made in this regard. They have now been instructed to send a monthly report on the subject. Follow up action will be taken by the Home Ministry."

3.14. In paragraphs 4.5 and 4.6 of their First* Report the Committee had stressed the need for laying Notifications/Rules etc. in respect of State which were under President's Rule, before Parliament, in accordance with the established procedure, laid down by the Committee on Subordinate Legislation.

3.15. The Committee had noted in their First Report that out of 10 Notifications issued by Government of Nagaland during the period April to November, 1975 only three Notifications were laid on the Table on 28-1-1976 and the remaining seven Notifications were still to be laid.

3.16. On further probe into the matter as to why the remaining seven Notifications were not laid on the Table till the end of April, 1976, it was revealed that five Notifications out of the remaining seven were not required to be laid on the Table at all. The Committee are unhappy to note that Ministry of Home Affairs had furnished to the Committee a list of ten Nagaland notifications which

*Presented to Lok Sabha on 8.3.1976.

according to them were required to be laid on the Table and their information was incorporated in their First Report. However this information has later been found to be incorrect. At least in respect of one Notification issued under the Motor Vehicles Act the Ministry of Home Affairs got intimation from Ministry of Shipping and transport on 3-1-1976 that the notification was not required to be laid on the Table. Had this fact been brought to the notice of the Committee immediately, the correct position could have been stated in their Report which was presented to Lok Sabha on 8-3-76. The Committee need hardly stress that all papers relating to the States under President's Rule should be carefully scrutinised by the concerned Ministries and accurate information should be furnished to Ministry of Home Affairs which is the coordinating Ministry so that correct information is made available to the Committee Members of the House.

3.17. The Committee note that with a view to exercise proper check and to ensure that no avoidable delay occurs in laying Notifications/Rules etc. pertaining to States which are under President's Rule, Ministry of Home Affairs have issued instructions to the State Governments to forward to Ministry of Home Affairs monthly reports indicating therein, the Notifications/Order/Rules etc. statutorily required to be issued in the State Gazette and required to be laid on the Table of both Houses of Parliament. The Central Ministries have likewise been asked to take necessary action for laying those papers on the Table of both Houses of Parliament.

3.18. The Committee trust that Ministry of Home Affairs as the coordinating Ministry will entrust the work of scrutinising the monthly reports received from State Governments to some responsible officer of their own Ministry so that necessary follow up action is taken and the concerned Ministries are regularly reminded to lay in time papers which are required on the Table of both Houses of Parliament pursuant to imposition of President's Rule in a State.

3.19. The Committee recommend that in future whenever a notification or any other paper that is required, statutorily or otherwise, to be placed before a legislature of a State or a Union territory under President's rule, is issued, two copies of such notification or paper should be made available immediately to the Committee for their information.

NEW DELHI;

August 20, 1976.

Sravana 29, 1898 (Saka).

ERA SEZHIYAN,

Chairman,

Committee on Papers laid
on the Table.

APPENDIX I

(Vide Para 1.1 of the Report)

Statements showing advance proposed to be drawn from the Contingency Fund of India during the 'Vote on Account' period of 1976-77 for Expenditure on a 'New Service' for which necessary provision had been made in the Demands for Grants for 1976-77. The advances will be recouped to the Fund after the Demands are voted and the connected Appropriation Act for the whole year is enacted.

Particulars of Service	Name of Ministry/ Department	Amount of the proposed Advances from the Contingency Fund	Number and name of the Demand in which provision exists in the Budget Estimates for 1976-77 with amount of provision	Brief reasons why the expenditure could not be deferred till the Demands for Grants were voted by Parliament
1	2	3	4	5
Setting up a new Government Company, namely, North-Eastern Electric Power Corporation Private Ltd.	Ministry of Home Affairs	Rs. 15 lakhs	Demand No. "54-Other Expenditure of the Ministry of Home Affairs" for 1976-77—Unit of appropriation—"AA(1)—Investment in North-Eastern Electric Power Corporation Private Ltd." Amount of provision—Rs. 5.50 crores.	Delay in the registration and setting up the Company would not be in the public interest. It is, therefore, proposed to register the Corporation and proceed with the work immediately on the commencement of the year 1976-77, pending voting of the Demands for Grants and passing of the connected Appropriation Bill for the whole year.

APPENDIX II

Summary of Recommendations|Observations contained in the Report

S. No.	Reference to para No. of the Report	Summary of Recommendations/ Observations
1	2	3
1.	1.17	The Committee note that on 31.3.1976 Government laid a statement on the Table of Lok Sabha showing that an advance of Rs. 15 lakhs was proposed to be drawn from the Contingency Fund of India for expenditure on a 'New Service' for which necessary provision had been made in the Demands for Grants for 1976-77. The amount was proposed to be spent for setting up a new Government Company namely North-Eastern Electric Power Corporation Private Ltd.
2	1.18	The Committee further note that under Rule 6 of the Contingency Fund of India Rules advances from the Contingency Fund should be made for the purposes of making unforeseen expenditure including expenditure on a 'New Service' not contemplated in the annual financial statement.
3.	1.19	The Committee further note that time and again Members had raised the question of the constitutional propriety of meeting urgent expenditure on a 'New Service' by withdrawal of money from the Contingency Fund when Lok Sabha was in session and on 19-2-1975 the Speaker had conveyed his decision to the Finance Minister that "when Lok Sabha is in session, any Demand for 'New Service' should be brought before the

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House and **not** made from the Contingency Fund”.

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The Committee also note that the representative of the Ministry of Finance while giving evidence before the Committee tried to contend that decision of the Speaker conveyed to the Minister through a letter did not amount to a ruling given in the House but when his attention was drawn to a ruling given on this point in the House on 21-4-1960, he admitted at length that Speaker's decision conveyed through his letter dated 19-2-1975 addressed to the Minister of Finance was binding on them and Government had made a mistake in withdrawing the amount from the Contingency Fund for expenditure on a 'New Service' while Lok Sabha was in session. It is needless to point out that Speaker's decision whether given on floor of the House or conveyed through a letter was binding on all and it has to be implemented unless it is changed by the Speaker or by the House. The Committee, however, appropriate the genuine difficulties of Government and situations cannot be totally ruled out when money has to be spent urgently on a 'New Service' and any delay in implementation of a particular scheme might be against the public interest.

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The Committee recommend that normally no amount should be drawn from the Contingency Fund to meet the expenditure on a 'New Service' while Lok Sabha is in session and every attempt should be made to get the prior approval of Lok Sabha by including the amount in the annual financial statement or the Supplementary Demands for Grants pertaining to that year. However, in exceptional cases when withdrawal of advance from the Contingency Fund becomes inevitable owing to some procedural difficulties like the one that money

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drawn on 'Vote on Account' cannot be used for expenditure on a 'New Service', Government should first circulate to Members a statement giving details of the Scheme for which money is needed and the circumstances under which approval of Parliament cannot be obtained in the normal course. Thereafter a resolution should be brought to the House by the Minister concerned authorising the Government to withdraw a specified amount from the Contingency Fund of India pending voting on Demands for Grants and enactment of the Appropriation Bill. When such a resolution is brought, the House may show a little indulgence and decide upon the resolution preferably without any detailed discussion.

This recommendation, before finalisation, was placed before the Speaker and was approved by him.

6. 2.9 The Committee note that although there is no statutory provision for laying the annual Reports on the working of the Employees' Provident Funds and Family Pension Schemes yet Government have been laying these Reports on the Table *suo-moto*.

7. 2.10 The Committee further note that according to the Employees' Provident Funds Scheme, 1952 "the Central Board shall approve before the 15th October, and submit to the Central Government before the 30th November, each year a report on the working of the Employees' Provident Funds Scheme during the previous financial year."

8. 2.11 The Committee further note that the Annual Report for the year 1973-74 was laid on the Table on 8-1-1976 i.e. fourteen months after the date on which it was due to be submitted to the Central Government and no statement showing reasons for delay in laying the Report was laid on the

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Table along with the Report. The Committee also note that the Annual Report for the year 1974-75 which was due in November, 1975 has not been laid on the Table so far.

9. 2.12

The Committee need hardly stress that Ministry of Labour should act as the watch dog of the interests of the employees and workers and they must ensure that the Reports on the working of Employees' Provident Funds, and Family Pension Schemes are submitted within the prescribed time and laid on the Table soon thereafter. The Committee feel surprised that no check is being exercised by the Ministry if the Report is not submitted by the Central Provident Fund Commissioner by the prescribed date. The mere fact that there is no statutory requirement for laying a document should not make the entire machinery inactive. A document laid on the Table after long delay defeats the very purpose for which it is laid viz., to keep the Parliament informed of the activities and financial position of the organisation. The Committee recommend that suitable procedure should be devised to ensure timely submission of the Report. In case of any delay, the matter should be taken up by the Ministry with the Central Provident Fund Commissioner to expedite submission of the Report. In any case, the Annual Report for a particular year should be submitted to the Government by the 30th November as prescribed in the rules and laid on the Table during the Winter Session of Parliament held during that year.

10. 2.13

The Committee trust that Ministry of Labour will take necessary steps to see that the Annual Report for the year 1974-75 is laid on the Table without any further delay and the Annual Report for 1975-76 is submitted to the Government by the 30th November, 1976 and laid on the Table soon thereafter.

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| 11. | 2.14 | The Committee has no objection to the Ministry's suggestion that cyclostyled copies of the Report might be laid on the Table in order to cut delay, provided this does not become a regular feature and the printed copies are made available to Members as early as possible, in no case later than a month after the submission of a cyclostyled Report. |
| 12. | 3.14 | In paragraph 4.5 and 4.6 of their First Report the Committee had stressed the need for laying Notifications/Rules etc. in respect of States which were under President's Rule, before Parliament, in accordance with the established procedure laid down by the Committee on Subordinate Legislation. |
| 13. | 3.15 | The Committee had noted in their First Report that out of 10 Notifications issued by Government of Nagaland during the period April to November, 1975 only three Notifications were laid on the Table on 28.1.1976 and the remaining seven Notifications were still to be laid. |
| 14. | 3.16 | On further probe into the matter as to why the remaining seven Notifications were not laid on the Table till the end of April, 1976, it was revealed that five Notifications out of the remaining seven were not required to be laid on the Table at all. The Committee are unhappy to note that Ministry of Home Affairs had furnished to the Committee a list of ten Nagaland notifications which according to them were required to be laid on the Table and their information was incorporated in their First Report. However this information has later been found to be incorrect. At least in respect of one Notification issued under |
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the Motor Vehicles Act the Ministry of Home Affairs got intimation from Ministry of Shipping and Transport on 3.1.1976 that the Notification was not required to be laid on the Table. Had this fact been brought to the notice of the Committee immediately, the correct position could have been stated in their Report which was presented to Lok Sabha on 8.3.76. The Committee need hardly stress that all papers relating to the States under President's Rule should be carefully scrutinised by the concerned Ministries and accurate information should be furnished to Ministry of Home Affairs which is the coordinating Ministry so that correct information is made available to the Committee Members of the House.

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The Committee note that with a view to exercise proper check and to ensure that no avoidable delay occurs in laying Notifications/Rules etc. pertaining to States which are under President's Rule, Ministry of Home Affairs have issued instructions to the State Governments to forward to Ministry of Home Affairs monthly reports indicating therein, the Notifications/Orders/Rules, etc. statutorily required to be issued in the State Gazette and required to be laid on the Table of both Houses of Parliament. The Central Ministries have likewise been asked to take necessary action for laying those papers on the Table of both Houses of Parliament.

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3.18

The Committee trust that Ministry of Home Affairs as the coordinating Ministry will entrust the work of scrutinising the monthly reports received from State Governments to some responsible officer of their own Ministry so that necessary follow up action is taken and the concerned Ministries are regularly reminded to lay in time papers which are required to be laid on the Table of both Houses of Parliament pursuant to imposition of President's Rule in a State.

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17.**3.19**

The Committee recommended that in future whenever a notification or any other paper that is required, statutorily or otherwise, to be placed before a legislature of a State or a Union territory under President's rule, is issued, two copies of such notification or paper should be made available immediately to the Committee for their information.
